Form 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: **U-0284-A**

6. If Indian, Allotee or Tribe Name:

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.: **CHAPITA WELLS UNIT**

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.: **CHAPITA WELLS UNIT 1041-22**

2. Name of Operator: **EOG RESOURCES, INC.**

9. API Well No.: 43-047-38085

3a. Address: **P.O. Box 1815 Vernal, UT 84078**

3b. Phone No. *(include area code)*: **435-781-9111**

10. Field and Pool, or Exploratory: **NATURAL BUTTES**

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface: **1585 FNL 240 FWL (SW/NW) 40.024383 LAT 109.483653 LON**
633636X 40.024464
At proposed prod. zone: **SAME** 4431438Y -109.483958

11. Sec., T. R. M. or Blk. and Survey or Area: **SEC. 22, T9S, R22E S.L.B.&M**

14. Distance in miles and direction from nearest town or post office*: **48.8 MILES SOUTH OF VERNAL, UTAH**

12. County or Parish: **UINTAH**

13. State: **UT**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
240'	**1240**	

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
1040'	**9600'**	**NM 2308**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
4882' GL		**45 DAYS**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed Typed)*	Date
Title: **Regulatory Assistant**	**Kaylene R. Gardner**	**05/03/2006**

Approved by *(Signature)*	Name *(Printed Typed)*	Date
Title	Office: **ENVIRONMENTAL MANAGER**	**BRADLEY G. HILL** 05-08-06

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

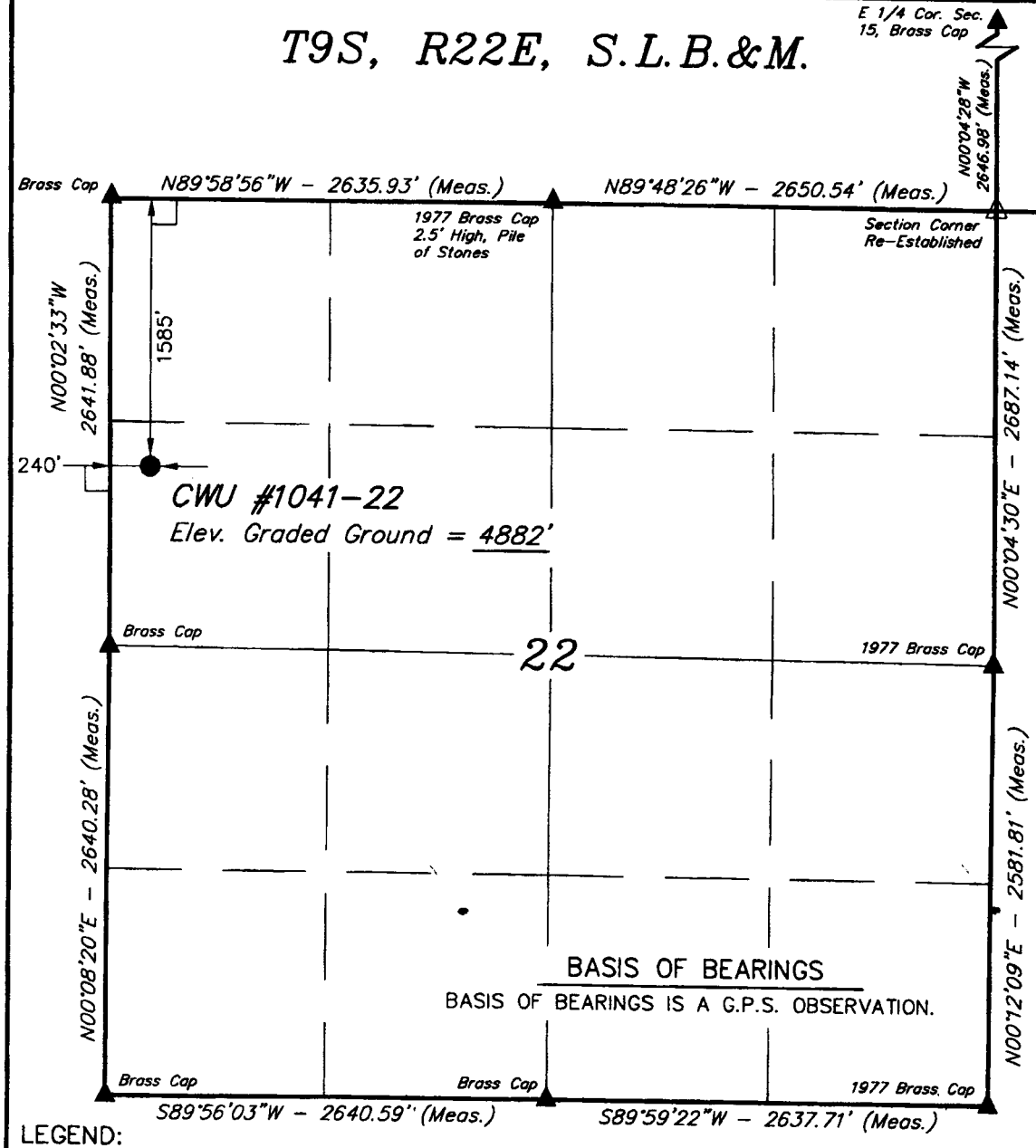
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Federal Approval of this Action Is Necessary

RECEIVED
MAY 05 2006
DIV. OF OIL, GAS & MINING

T9S, R22E, S.L.B.&M.



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

- └ = 90° SYMBOL
- ● = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED USING DOUBLE PROPORTION METHOD. (Not Set on Ground.)

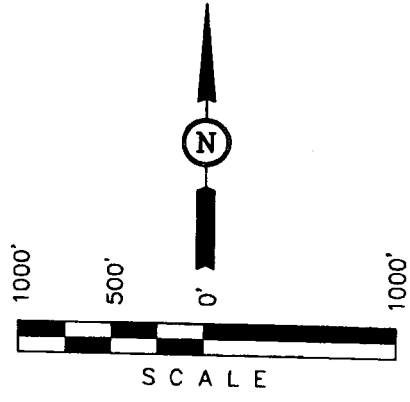
(NAD 83)
LATITUDE = 40°01'27.78" (40.024383)
LONGITUDE = 109°26'04.75" (109.434653)
(NAD 27)
LATITUDE = 40°01'27.91" (40.024419)
LONGITUDE = 109°26'02.29" (109.433969)

EOG RESOURCES, INC.

Well location, CWU #1041-22, located as shown in the SW 1/4 NW 1/4 of Section 22, T9S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 20EAM LOCATED IN THE SE 1/4 OF SECTION 35, T8S, R21E, S.L.B.&M. TAKEN FROM THE OURAY SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4697 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 05-13-05	DATE DRAWN: 06-01-05
PARTY: D.L. T.C. P.M.	REFERENCES: G.L.O. PLAT	
WEATHER: WARM	FILE: EOG RESOURCES, INC.	

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1041-22
SW/NW, SEC. 22, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH (KB)
Green River FM	1,703'
Wasatch	4,759'
North Horn	6,634'
Island	7,140'
KMV Price River	7,308'
KMV Price River Middle	8,126'
KMV Price River Lower	8,923'
Sego	9,396'

Estimated TD: **9,600' or 200'± below Sego top** **Anticipated BHP: 5,240 Psig**

1. Fresh Waters may exist in the upper, approximately 1,000 ft ± of the Green River Formation, with top at about 2,000 ft ±.
2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig
BOP schematic diagrams attached.

4. CASING PROGRAM:

	HOLE SIZE	INTERVAL	SIZE	WEIGHT	GRADE	THREAD	RATING FACTOR COLLAPSE	/BURST/	TENSILE
Conductor:	17 ½"	0' – 45'	13 ⅜"	48.0#	H-40	STC	770 PSI	1730 PSI	322,000#
Surface	12-1/4"	45' – 2,300'KB±	9-⅝"	36.0#	J-55	STC	2020 PSI	3520 Psi	394,000#
Production:	7-7/8"	2,300'± – TD	4-½"	11.6#	N-80	LTC	6350 PSI	7780 Psi	223,000#

Note: 12-¼" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-⅝" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone. All casing will be new or inspected.

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe
Insert Float Collar (PDC drillable)
Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Float Equipment: (Cont'd)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. (30± total). Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD): Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 2 – Item E: Special Drilling Operations

EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. Due to reduce location excavation, the blooie line will be approximately 75' in length

8. EVALUATION PROGRAM:

Logs: Mud log from base of surface casing to TD.
Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following: **Cement Bond / Casing Collar Locator and Pulsed Neutron**

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1041-22
SW/NW, SEC. 22, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% $CaCl_2$, 3 lb/sx GR3 ¼ #/sx Flocele mixed at 11 ppg, 3.82 ft^3/sk. yield, 23 gps water.

Tail: Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Top Out: As necessary with Class "G" cement with 2% $CaCl_2$, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft^3/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to 500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: **142 sks:** 35:65 Poz "G" w/4% D20 (Bentonite), 2% D174 (Extender), 0.2% D65 (Dispersant),0.2% D46 (Antifoam), 0.75% D112 (Fluid Loss Additive), 0.200% D13 (Retarder), 0.25 pps D29 (cello flakes) mixed at 13.0 ppg, 1.75 ft^3/sk., 9.19 gps water.

Tail: **925 sks**: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075% D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1 ppg, 1.28 ft^3/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.
Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe.
Tail volume to be calculated to bring cement to 400'± above top of Wasatch.
Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

EIGHT POINT PLAN

CHAPITA WELLS UNIT 1041-22
SW/NW, SEC. 22, T9S, R22E, S.L.B.&M..
UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

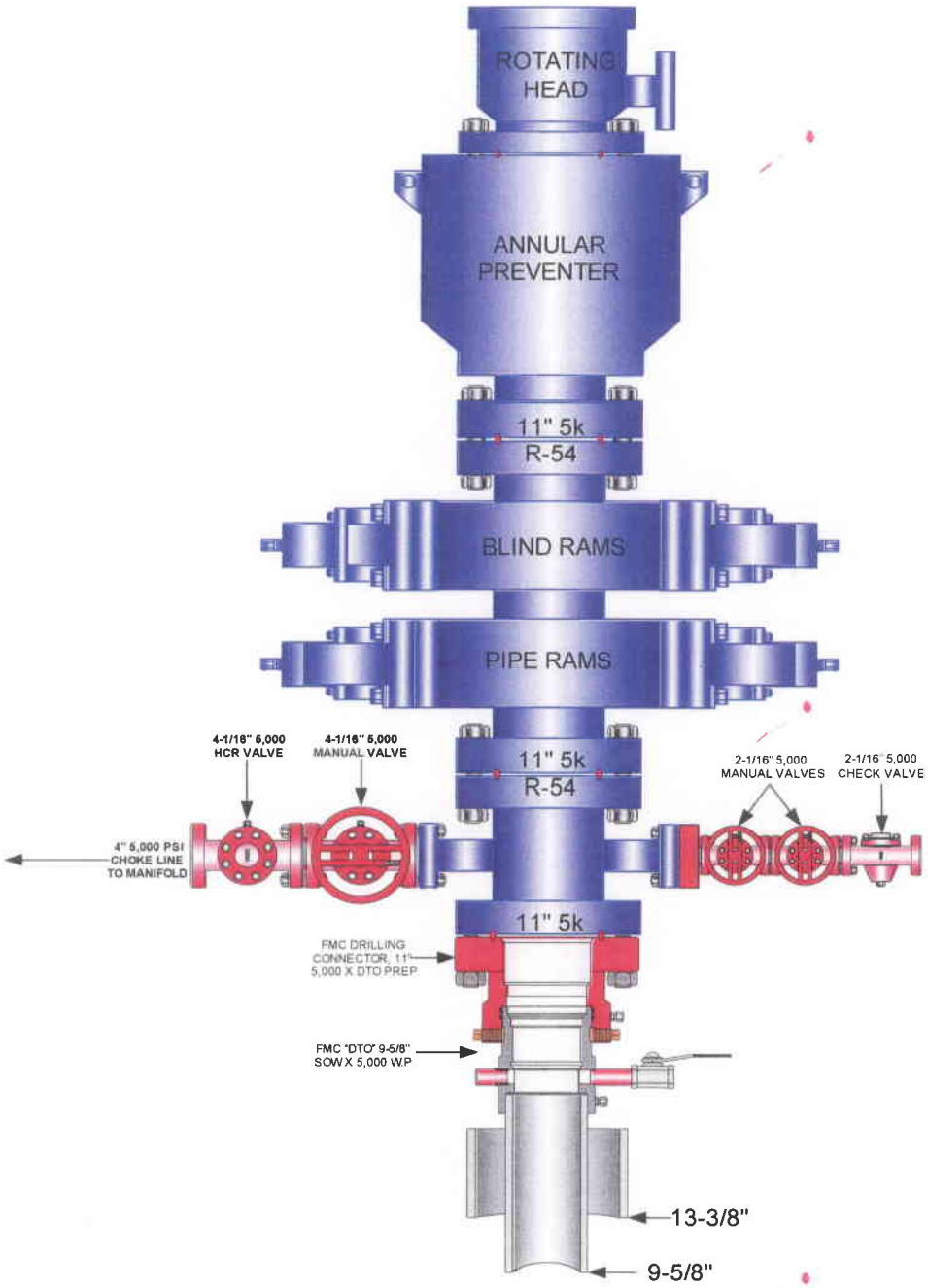
A. Choke Manifold
B. Upper and Lower Kelly Cock
C. Stabbing Valve
D. Visual Mud Monitoring

12. HAZARDOUS CHEMICALS:

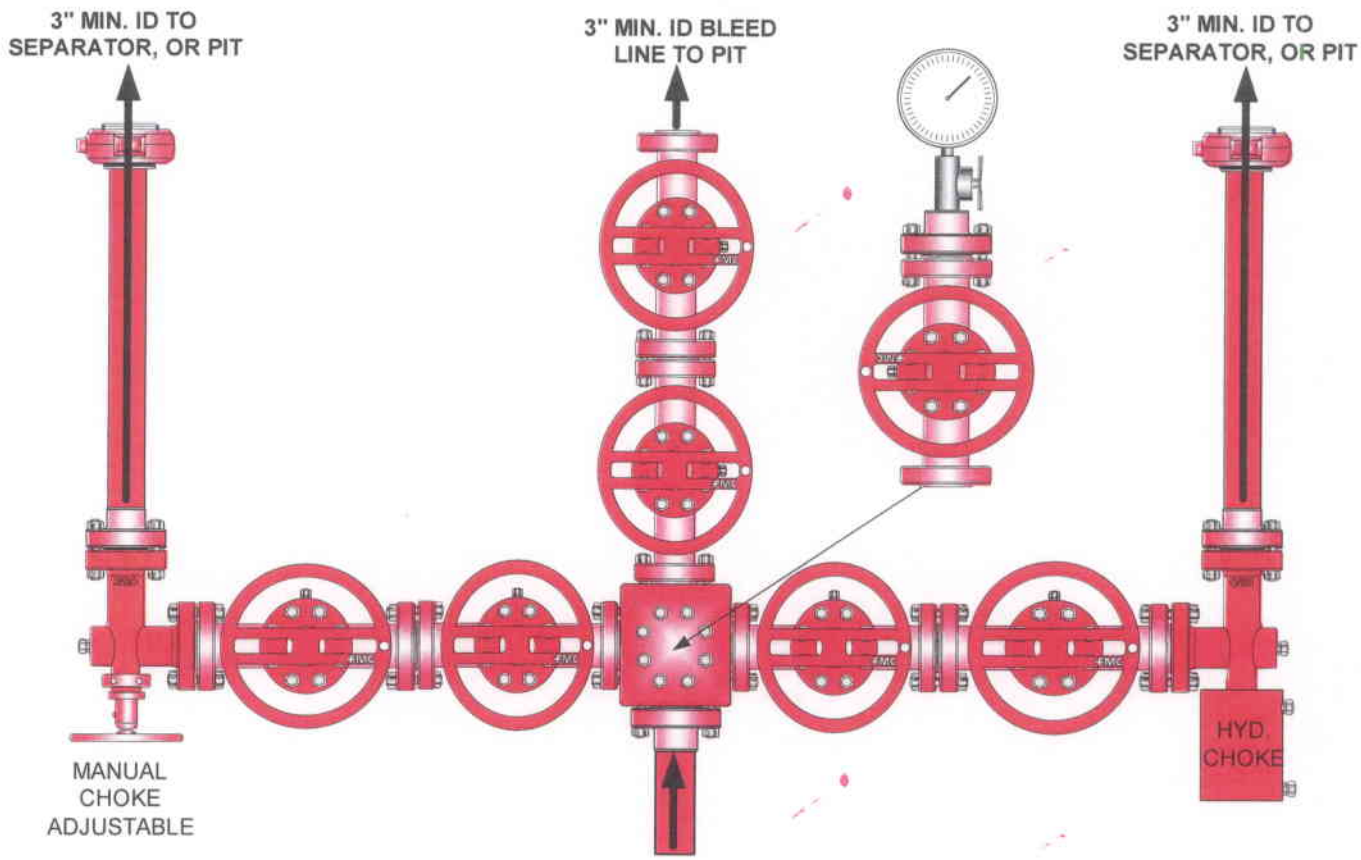
No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

(Attachment: BOP Schematic Diagram)

EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/ 5,000 PSI WP VALVES



Testing Procedure:

1. BOP will be tested with a professional tester to conform to Onshore Order #2.
2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
3. Annular Preventer will be tested to 50% working pressure, 2,500 psi.
   Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

eog resources

CHAPITA WELLS UNIT 1041-22
SW/NW, Section 22, T9S, R22E
Uintah County, Utah

SURFACE USE PLAN

NOTIFICATION REQUIREMENTS

Location Construction:	Forty-eight (48) hours prior to construction of location and access roads.
Location Completion:	Prior to moving on the drilling rig.
Spud Notice:	At least twenty-four (24) hours prior to spudding the well.
Casing String and Cementing:	Twenty-four (24) hours prior to running casing and cementing all casing strings.
BOP and related Equipment Tests:	Twenty-four (24) hours prior to running casing and tests.
First Production Notice:	Within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

The well pad is approximately 325 feet long with a 246-foot width, containing 1.84 acres more or less. New surface disturbance associated with access road and the well pad is estimated to be approximately 1.84 acres.

1. EXISTING ROADS:

A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.

B. The proposed well site is located approximately 50.3 miles south of Vernal, Utah – See attached TOPO Map "A".

C. Refer to attached Topographic Map "A" showing labeled access route to location.

D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

No new access road will be required. See Topo "B"

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

A. Abandoned Wells – 6*
B. Producing Wells – 55*
C. Shut-in Wells – 2*

(See attached TOPO map "C" for the location of wells within a one-mile radius.)

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

1. Well is located on existing Chapita Wells Unit 237-22 location.

2. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400 BBL vertical tanks and attaching piping.

3. Gas gathering lines – A 4" gathering line will be buried from dehy to the edge of the location.

B. Off Well Pad

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.

2. Protective measures and devices for livestock and wildlife will be taken and /or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. **All existing facilities will be painted with Carlsbad Canyon.** Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. *Location and Type of Water Supply:*

A. Water supply will be from Ouray Municipal Water Plant at Ouray, Utah, and/ or Target Trucking Inc.'s water source in the SW/SW. Sec 35, T9S, R22E Uintah County, Utah (State Water Right # 49-1501. Water will be hauled by a licensed trucking company.

B. Water will be hauled by a licensed trucking company.

C. No water well will be drilled on lease.

6. *Source of Construction Materials:*

A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.

B. No mineral materials will be required.

7. *Methods of Handling Waste Disposal:*

A. METHODS AND LOCATION

1. Cuttings will be confined in the reserve pit.

2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.

4. Produced wastewater will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following three locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).

5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.

B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or by removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with felt and a 12 millimeter plastic liner.

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the east corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil south of corner #5. The stockpiled location topsoil will be stored between corners #6, #8 and #1. Upon

completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpiller tractor.

Access to the well pad will be from the west.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)

B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.

D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently counted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.
If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Hi-Crest Crested Wheatgrass	9.0
Kocha Pastrata	3.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. *Dry Hole/Abandoned Location*

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriated surface rehabilitation conditions of approval.

Seed Mixture	Drilled Rate (lbs./acre PLS*)
Gardner Salt Bush	4.0
Shad Scale	3.0
Hi-Crest Crested Wheat Grass	2.0

*Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used.
- A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

B. As operator, EOG Resources, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.

C. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

D. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.
If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources and paleontology survey will be conducted and submitted by Montgomery Archaeological Consultants.

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT
Kaylene R. Gardner
EOG Resources, Inc.
P.O. Box 1815
Vernal, Ut 84078
(435) 781-9111

DRILLING OPERATIONS
Donald Presenkowski
EOG Resources, Inc.
P.O. Box 250
Big Piney, WY 83113
307-276-4865

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 1041-22 Well, located in the SWNW, of Section 22, T9S, R22E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

May 3, 2006
Date

Kaylene R. Gardner Regulatory Assistant

EOG RESOURCES, INC.
CWU #1041-22
SECTION 22, T9S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE CWU #237-22 AND THE PROPOSED LOCATION.

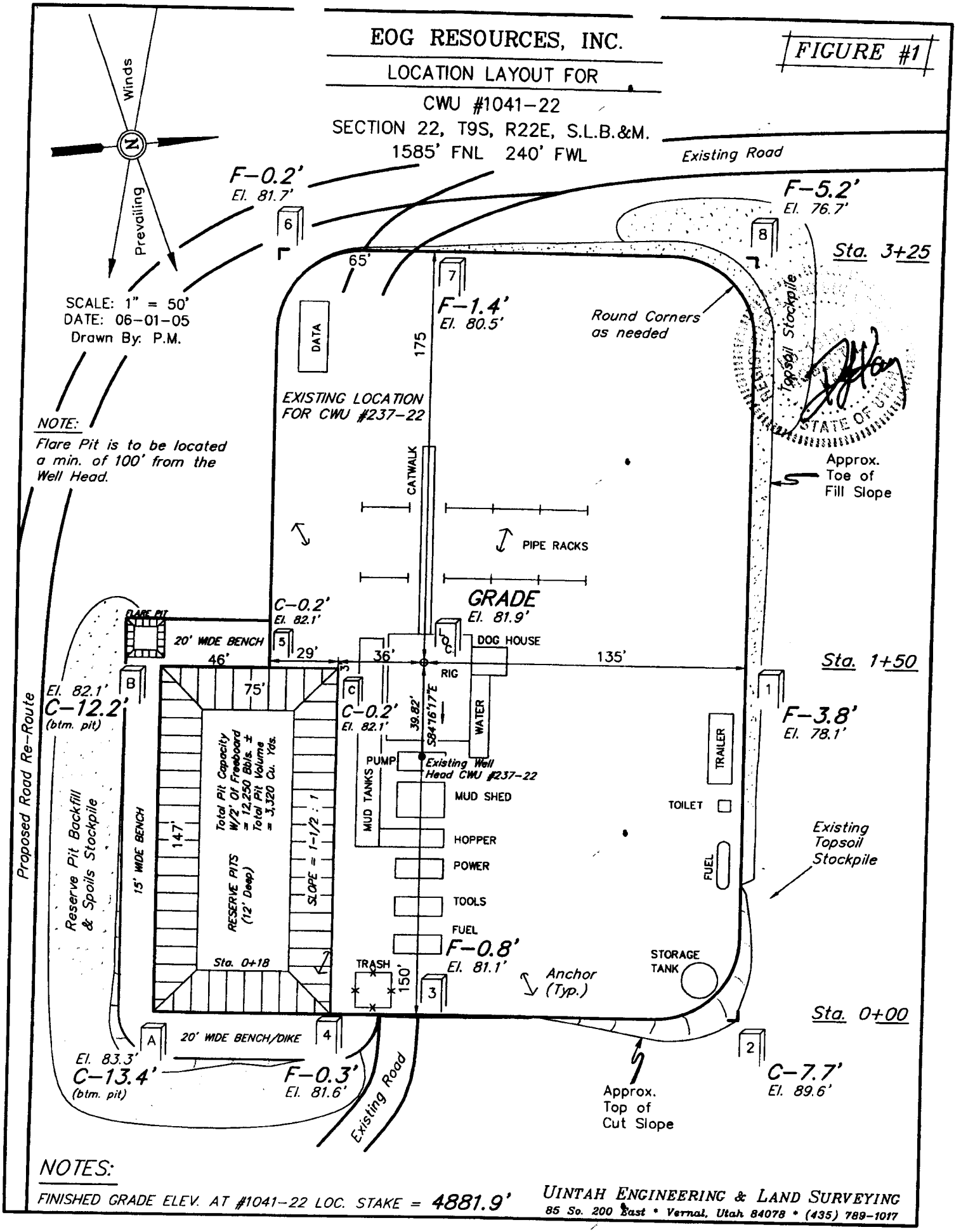
TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 48.8 MILES.

EOG RESOURCES, INC.

LOCATION LAYOUT FOR

CWU #1041-22
SECTION 22, T9S, R22E, S.L.B.&M.
1585' FNL 240' FWL

FIGURE #1



NOTES:

FINISHED GRADE ELEV. AT #1041-22 LOC. STAKE = 4881.9'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

EOG RESOURCES, INC.

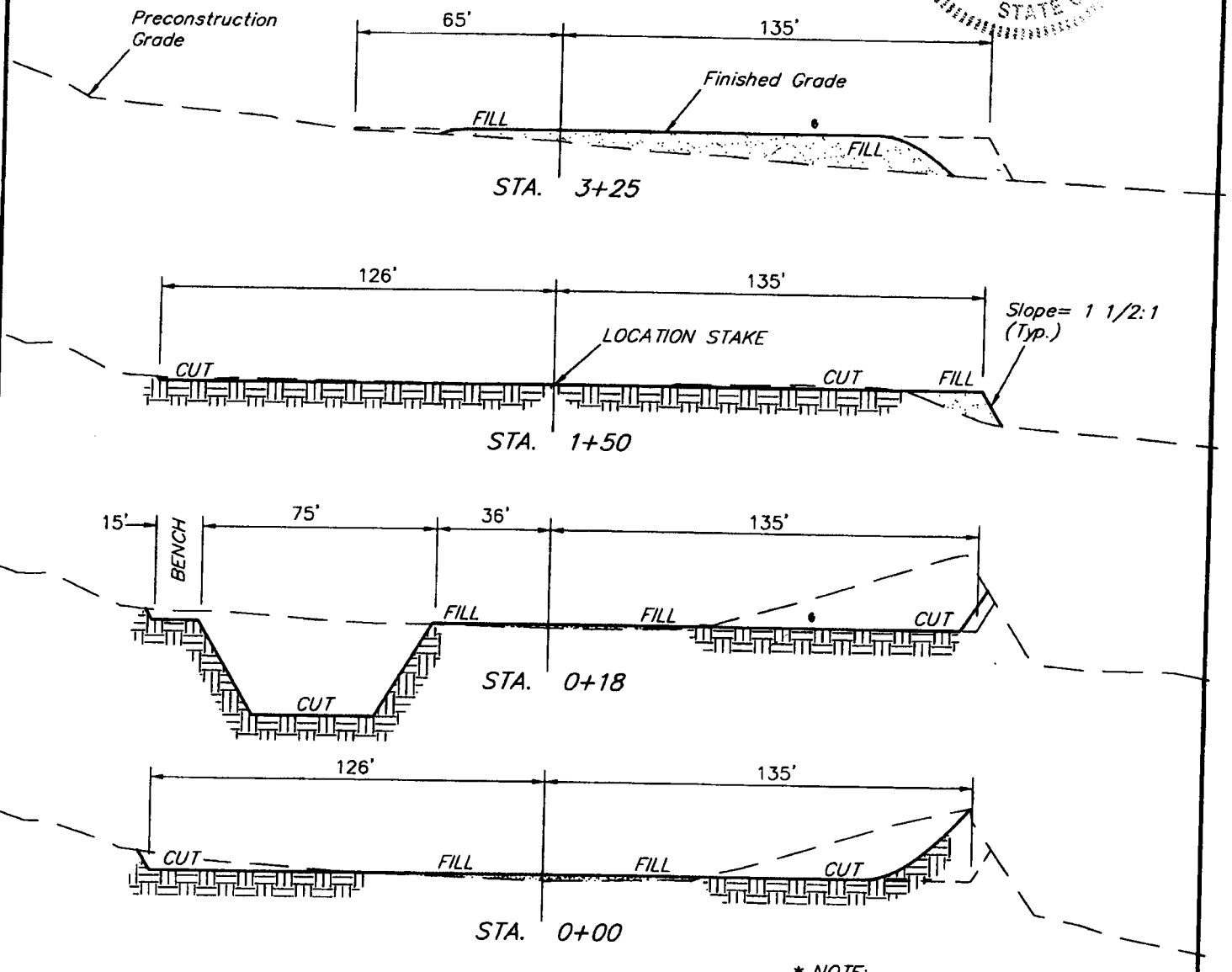
TYPICAL CROSS SECTIONS FOR

CWU #1041-22
SECTION 22, T9S, R22E, S.L.B.&M.
1585' FNL 240' FWL

FIGURE #2

1" = 20' X-Section Scale
1" = 50'

DATE: 06-01-05
Drawn By: P.M.



* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping (New Construction Only)	=	690 Cu. Yds.
Remaining Location	=	4,310 Cu. Yds.
TOTAL CUT	=	5,000 CU.YDS.
FILL	=	2,910 CU.YDS.

EXCESS MATERIAL	=	2,090 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	2,350 Cu. Yds.
DEFICIT UNBALANCE (After Rehabilitation)	=	<260> Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

EOG RESOURCES, INC.

CWU #1041-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 22, T9S, R22E, S.L.B.&M.

PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

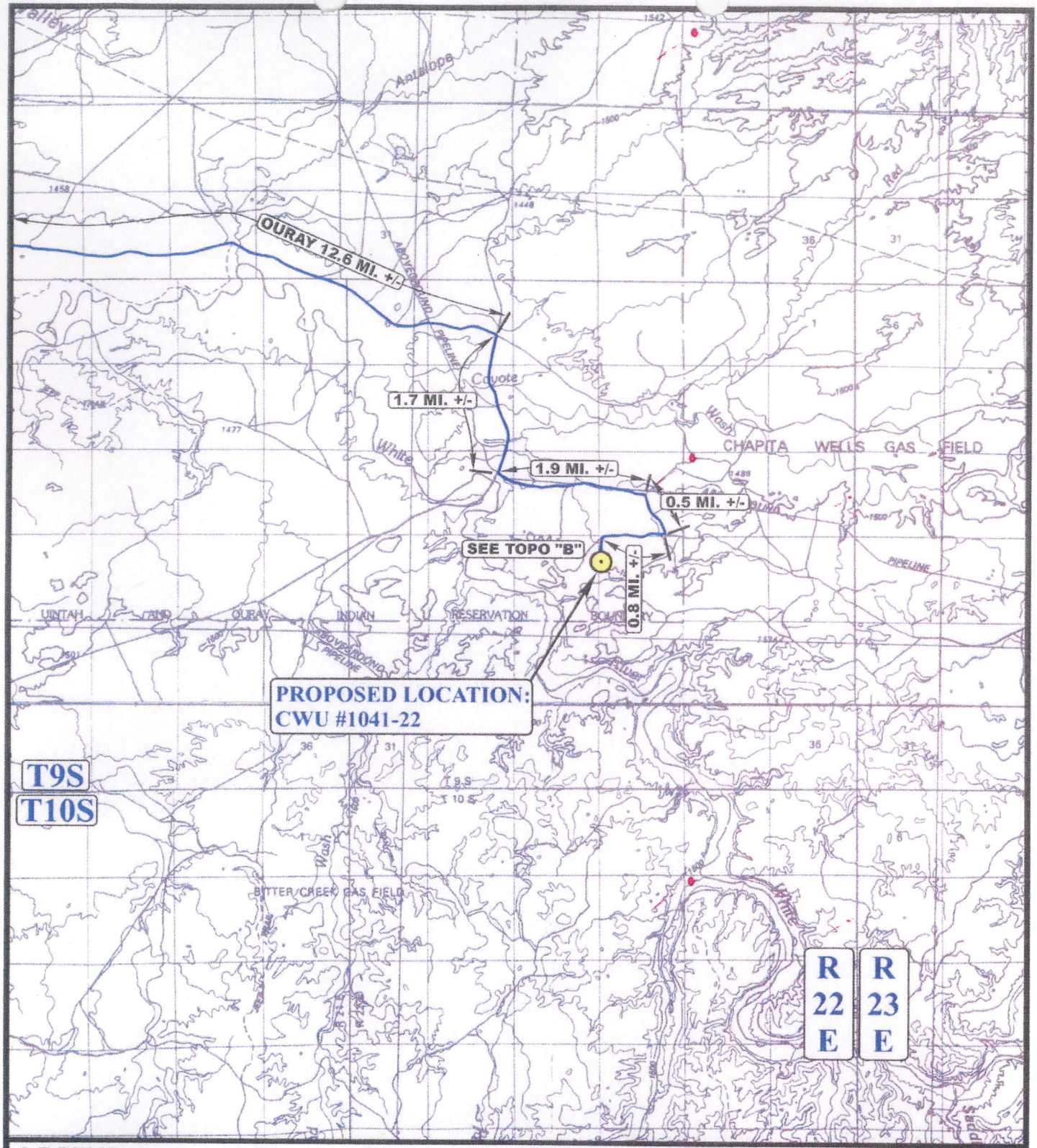
CAMERA ANGLE: NORTHEASTERLY

PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: SOUTHEASTERLY

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	06 MONTH	17 DAY	05 YEAR	PHOTO
TAKEN BY: D.L.	DRAWN BY: S.L.	REVISED: 00-00-00		



LEGEND:

PROPOSED LOCATION

N

EOG RESOURCES, INC.

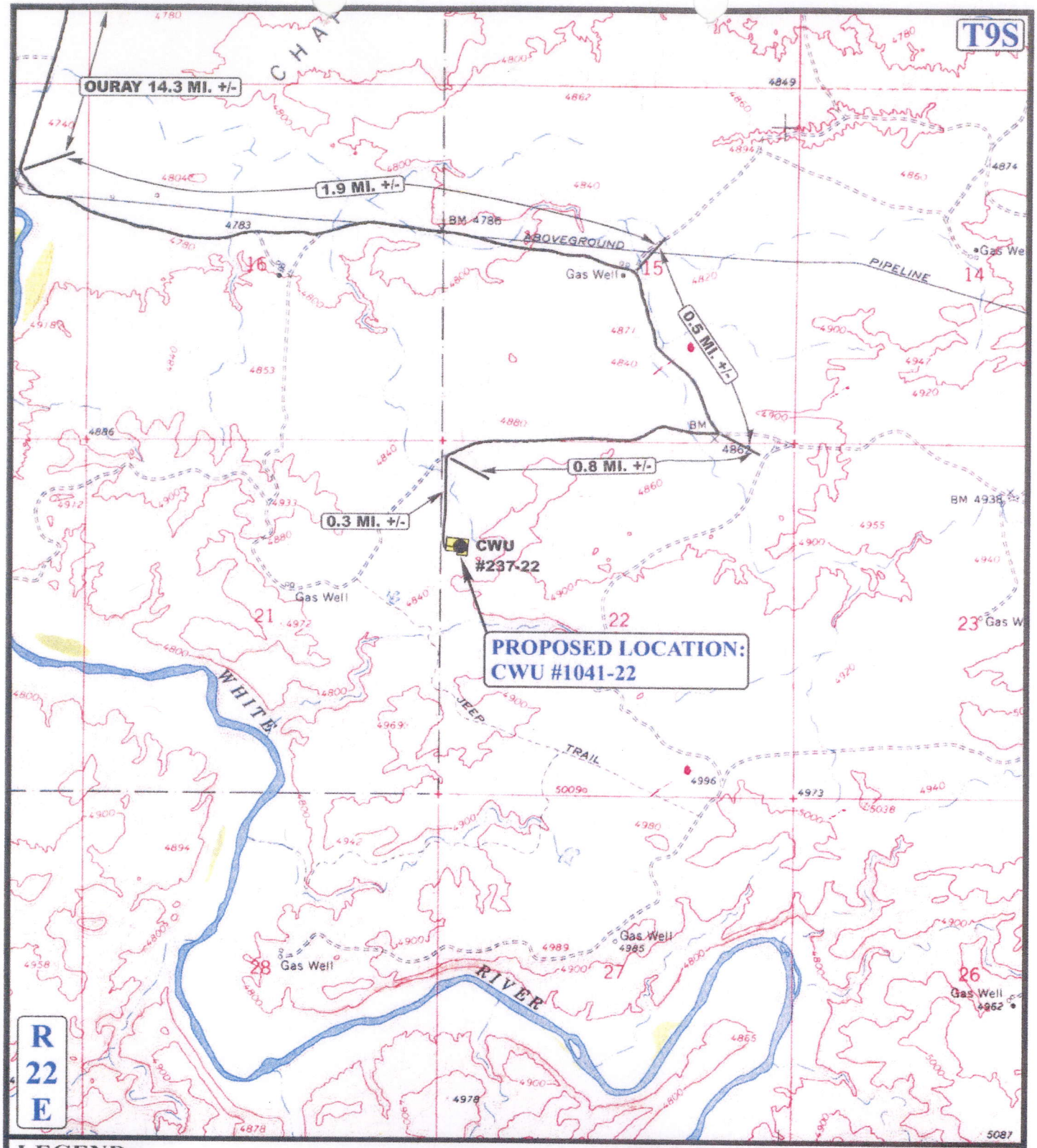
CWU #1041-22

SECTION 22, T9S, R22E, S.L.B.&M.

1585' FNL 240' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1018

TOPOGRAPHIC MAP	06 MONTH	17 DAY	05 YEAR	A TOPO
SCALE: 1 : 100,000	DRAWN BY: S.L.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

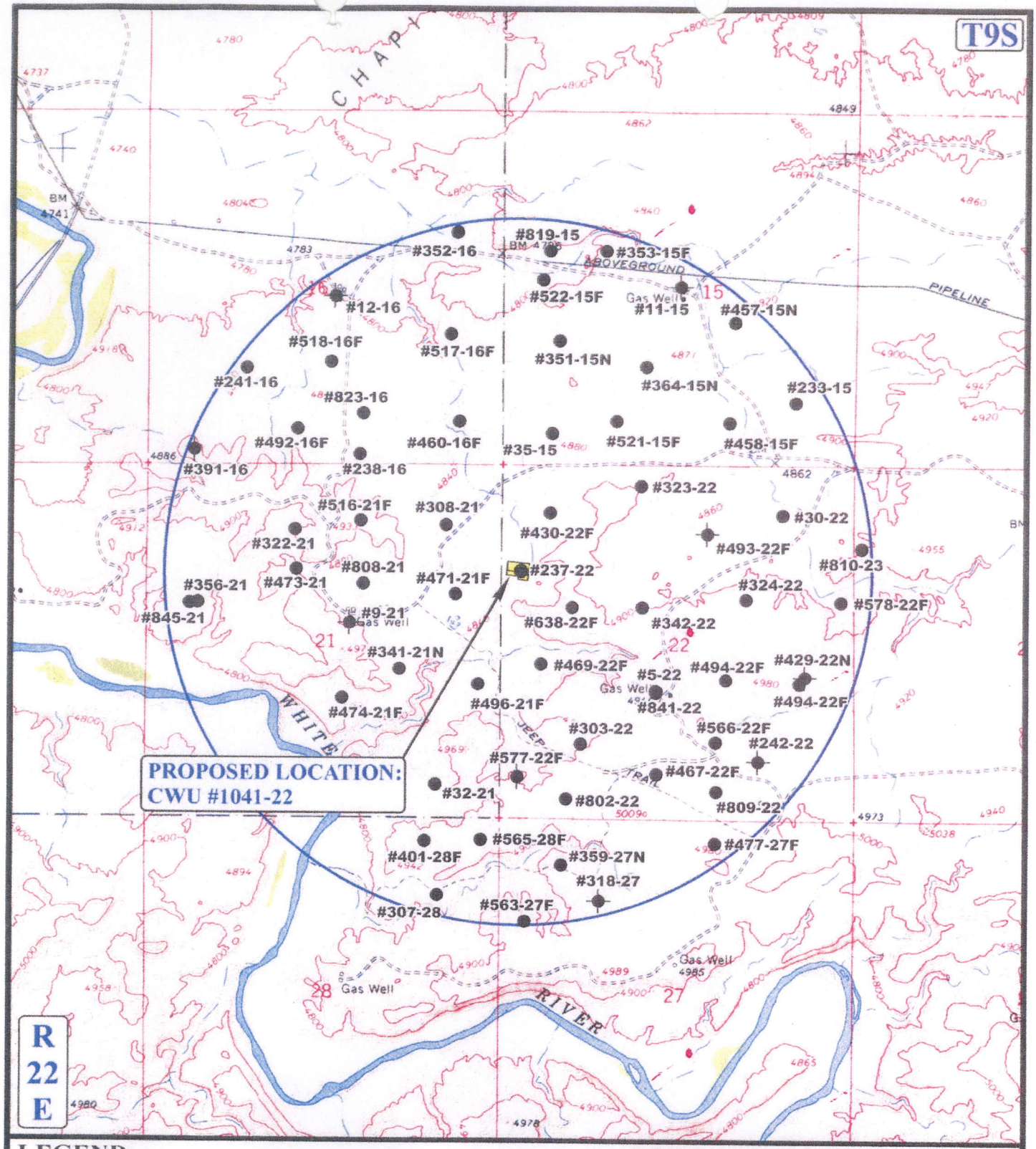
N

EOG RESOURCES, INC.

CWU #1041-22
SECTION 22, T9S, R22E, S.L.B.&M.
1585' FNL 240' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	17 DAY	05 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: S.L.	REVISED: 00-00-00		



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

N

EOG RESOURCES, INC.

CWU #1041-22
SECTION 22, T9S, R22E, S.L.B.&M.
1585' FNL 240' FWL

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	06 MONTH	17 DAY	05 YEAR	C TOPO
SCALE: 1" = 2000'	DRAWN BY: S.L.	REVISED: 00-00-00		

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/05/2006

API NO. ASSIGNED: 43-047-38085

WELL NAME: CWU 1041-22

OPERATOR: EOG RESOURCES INC (N9550)

PHONE NUMBER: 435-781-9111

CONTACT: KAYLENE GARDNER

PROPOSED LOCATION:

SWNW 22 090S 220E

SURFACE: 1585 FNL 0240 FWL

BOTTOM: 1585 FNL 0240 FWL

COUNTY: UINTAH

LATITUDE: 40.02447 LONGITUDE: -109.4340

UTM SURF EASTINGS: 633636 NORTHINGS: 4431438

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-0284-A

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: PRRV

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM 2308)

N Potash (Y/N)

Y Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-1501)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

NA Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: CHAPITA WELLS

___ R649-2-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 179-8

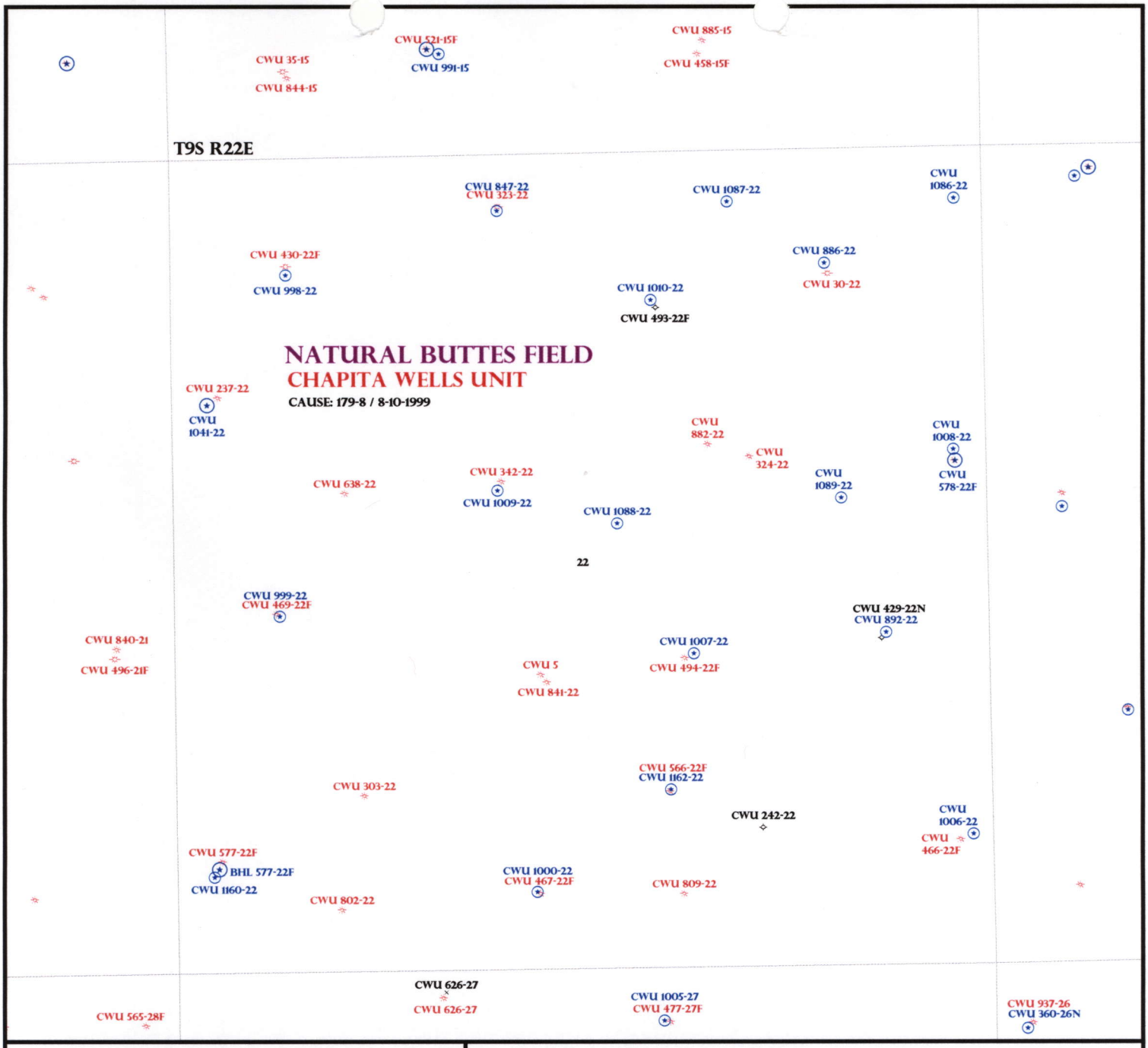
Eff Date: 8-10-1999

Siting: Suspends General Siting

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval
2- OIL SHALE



OPERATOR: EOG RESOURCES INC (N9550)

SEC: 22 T. 9S R. 22E

FIELD: NATURAL BUTTES (630)

COUNTY: UINTAH

CAUSE: 179-8 / 8-10-1999

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N
W E
S

PREPARED BY: DIANA WHITNEY

DATE: 5-MAY-2006

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

May 8, 2006

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Chapita Wells Unit Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Chapita Wells Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION

(Proposed PZ Price River)

43-047-38080 CWU 713-07 Sec 07 T09S R23E 2101 FSL 0635 FWL
43-047-38062 CWU 712-07 Sec 07 T09S R23E 1826 FNL 0600 FWL
43-047-38063 CWU 1234-20 Sec 20 T09S R23E 0643 FSL 0844 FEL
43-047-38064 CWU 1233-20 Sec 20 T09S R23E 2071 FSL 2127 FEL
43-047-38065 CWU 1232-20 Sec 20 T09S R23E 2151 FSL 1933 FWL
43-047-38078 CWU 1237-21 Sec 21 T09S R23E 0689 FSL 1724 FEL
43-047-38066 CWU 1236-21 Sec 21 T09S R23E 2423 FSL 0778 FEL
43-047-38067 CWU 1238-22 Sec 22 T09S R23E 2150 FNL 2310 FEL
43-047-38085 CWU 1041-22 Sec 22 T09S R22E 1585 FNL 0240 FWL
43-047-38076 CWU 1239-28 Sec 28 T09S R23E 0470 FNL 0777 FEL
43-047-38077 CWU 1240-28 Sec 28 T09S R23E 1964 FNL 1999 FEL
43-047-38079 CWU 1083-30 Sec 30 T09S R23E 0579 FNL 2349 FWL
43-047-38084 CWU 447-10 Sec 10 T09S R22E 2047 FNL 1911 FWL
43-047-38083 CWU 975-12 Sec 12 T09S R22E 1635 FSL 0363 FWL
43-047-38081 CWU 1074-25 Sec 25 T09S R22E 1792 FSL 0974 FEL
43-047-38082 CWU 1077-25 Sec 25 T09S R22E 0460 FSL 1970 FEL

This office has no objection to permitting the wells at this time.
/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 8, 2006

EOG Resources, Inc.
P O Box 1815
Vernal, UT 84078

Re: Chapita Wells Unit 1041-22 Well, 1585' FNL, 240' FWL, SW NW, Sec. 22, T. 9 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38085.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Operator: EOG Resources, Inc.

Well Name & Number Chapita Wells Unit 1041-22

API Number: 43-047-38085

Lease: U-0284-A

Location: SW NW **Sec.** 22 **T.** 9 South **R.** 22 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284.

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

   All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

Form 3160-3
(February 2005)

RECEIVED

MAY - 5 2006

BLM VERNAL, UTAH

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.	U-0284-A
6. If Indian, Allotee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	CHAPITA WELLS UNIT
8. Lease Name and Well No.	CHAPITA WELLS UNIT 1041-22
9. API Well No.	43-047-38085
10. Field and Pool, or Exploratory	NATURAL BUTTES
11. Sec., T. R. M. or Blk. and Survey or Area	SEC. 22, T9S, R22E S.L.B.&M
12. County or Parish	UINTAH
13. State	UT

1a. Type of work: ☑ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

2. Name of Operator: EOG RESOURCES, INC.

3a. Address: P.O. Box 1815 Vernal, UT 84078

3b. Phone No. *(include area code)*: 435-781-9111

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface: 1585 FNL 240 FWL (SW/NW) 40.024383 LAT 109.483653 LON
At proposed prod. zone: SAME

14. Distance in miles and direction from nearest town or post office*: 48.8 MILES SOUTH OF VERNAL, UTAH

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	240'	16. No. of acres in lease: 1240	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	1040'	19. Proposed Depth: 9600'	20. BLM/BIA Bond No. on file: NM 2308
21. Elevations (Show whether DF, KDB, RT, GL, etc.): 4882' GL		22. Approximate date work will start*	23. Estimated duration: 45 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature: Kaylene R. Gardner	Name *(Printed/Typed)*: Kaylene R. Gardner	Date: 05/03/2006
Title: Regulatory Assistant		
Approved by *(Signature)*: Jerry Kenczka	Name *(Printed Typed)*: Jerry Kenczka	Date: 12-20-2006
Title: Assistant Field Manager Lands & Mineral Resources	Office: VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

NOTICE OF APPROVAL

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
JAN 30 2007
DIV. OF OIL, GAS & MINING

NOBM 2419414A

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE
170 South 500 East VERNAL, UT 84078 (435) 781-4400

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**EOG Resources**	**Location:**	**SWNW, Sec 22, T9S, R22E**
Well No:	**CWU 1041-22**	**Lease No:**	**UTU-0284-A**
API No:	**43-047-38085**	**Agreement:**	**Chapita Wells Unit**

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
Natural Resource Specialist:	Scott Ackerman	Office: 435-781-4437	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Paul Buhler)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Paul Buhler)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Jamie Sparger)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings
BOP & Related Equipment Tests (Notify Jamie Sparger)	-	Twenty-Four (24) hours prior to initiating pressure tests
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

Conditions for Approval are in the APD

- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this would include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt.

- <u>During interim management of the surface, use the following seed mix:</u>
  - 9 lbs of Hycrest Crested Wheatgrass & 3 lbs of Kochia prostrate.

- This location is on an existing location so there would be no buried pipeline.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

- A surface casing shoe integrity test shall be performed.
- A variance is granted for Onshore Order #2-Drilling Operations III. E. "Blooie line discharge 100 feet from well bore and securely anchored"
  - Blooie line can be 75 feet.
- Production casing cement shall be at a minimum 200 feet inside the surface casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and NOT by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
- Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

- Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- A cement bond log (CBL) will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.

- All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- This APD is approved subject to the requirement that, shall the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.
    - Well name and number.
    - Well location (¼¼, Sec., Twn, Rng, and P.M.).
    - Date well was placed in a producing status (date of first production for which royalty will be paid).
    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
    - Unit agreement and / or participating area name and number, if applicable.
    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the

end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: U-0284-A

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: Chapita Wells Unit

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Chapita Wells Unit 1041-22

2. NAME OF OPERATOR: EOG Resources, Inc.

9. API NUMBER: 43-047-38085

3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000N CITY Denver STATE CO ZIP 80202

PHONE NUMBER: (303) 262-2812

10. FIELD AND POOL, OR WILDCAT: Natural Buttes/Mesaverde

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1,585' FNL & 240' FWL 40.024383 LAT 109.434653 LON

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 22 9S 22E S.L.B. & M

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☑ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☐ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☐ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: APD EXTENSION REQUEST
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

EOG Resources, Inc. respectfully requests the APD for the referenced well be extended for one year.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-23-07

By:

4.23.07
RM

NAME (PLEASE PRINT) Carrie MacDonald TITLE Operations Clerk

SIGNATURE DATE 4/19/2007

(This space for State use only)

RECEIVED
APR 20 2007
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

[redacted]

Application for Permit to Drill
Request for Permit Extension
Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-38085
Well Name: CHAPITA WELLS UNIT 1041-22
Location: 1585 FNL 240 FWL (SWNW), SECTION 22, T9S, R22E S.L.B.&M
Company Permit Issued to: EOG RESOURCES, INC.
Date Original Permit Issued: 5/8/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes☐No☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes☐No☑

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes☐No☑

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes☐No☑

Has the approved source of water for drilling changed? Yes☐No☑

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes☐No☑

Is bonding still in place, which covers this proposed well? Yes☑No☐

Signature

4/19/2007
Date

Title: Operations Clerk

Representing: EOG Resources, Inc.

RECEIVED
APR 2 0 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: EOG RESOURCES, INC.
Operator Account Number: N 9550
Address: 600 17th Street
city Denver
state CO zip 80202
Phone Number: (303) 262-2812

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-38085	CHAPITA WELLS UNIT 1041-22	SWNW	22	9S	22E	UINTAH

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A/B	99999	13650	10/3/2007	10/17/07

Comments: PRRV = MVRD

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-047-38061	NORTH CHAPITA 339-34	NWSW	34	8S	22E	UINTAH

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date
A	99999	16386	10/4/2007	10/17/07

Comments: PRRV = MVRD

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County

Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date

Comments:

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Carrie MacDonald
Name (Please Print)

Signature

Operations Clerk
Title

10/4/2007
Date

RECEIVED
OCT 09 2007
DIV. OF OIL, GAS & MINING

(5/2000)

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU0284A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CHAPITA WELLS UNI

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CHAPITA WELLS UNIT 1041-22

2. Name of Operator
EOG RESOURCES, INC.
Contact: CARRIE E MACDONALD
E-Mail: carrie_macdonald@eogresources.com

9. API Well No.
43-047-38085

3a. Address
600 17TH STREET, SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-262-2812

10. Field and Pool, or Exploratory
NATURAL BUTTES/MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 22 T9S R22E SWNW 1585FNL 240FWL
40.02438 N Lat, 109.43465 W Lon

11. County or Parish, and State
UINTAH COUNTY COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Well Spud
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well spud on 10/3/2007.

RM
KS
PIC
BOB

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #56650 verified by the BLM Well Information System
For EOG RESOURCES, INC., sent to the Vernal

Name *(Printed/Typed)* CARRIE E MACDONALD — Title OPERATIONS CLERK

Signature (Electronic Submission) — Date 10/04/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED
OCT 09 2007
DIV. OF OIL, GAS & MINING

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 WYNKOOP STREET
DENVER, CO 80202-1129
http://www.epa.gov/region8

OCT 1 2007

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

Alex Campbell
Enduring Resources, LLC
475 17th Street Suite 1500
Denver, CO 80202

43-047-36277

Re: FINAL UIC Permit
EPA UIC Permit UT21062-07150
Well: Buck Camp 11-22-11-36 WD
Uintah County, UT

RECEIVED
OCT 22 2007
DIV. OF OIL, GAS & MINING

Dear Mr. Campbell:

Enclosed is your copy of the FINAL Underground Injection Control (UIC) Permit for the proposed Buck Camp 11-22-14-36 WD injection well. A Statement of Basis that discusses the conditions and requirements of this EPA UIC Permit, is also included.

The Public Comment period for this Permit ended on SEP 21 2007. No comments on the Draft Permit were received during the Public Notice period; therefore the Effective Date for this EPA UIC Permit is the date of issuance. All conditions set forth herein refer to Title 40 Parts 124, 144, 146, and 147 of the Code of Federal Regulations (CFR) and are regulations that are in effect as of the Effective Date of this Permit.

Please note that under the terms and conditions of this Final Permit you are authorized only to construct the proposed injection well. Prior to commencing injection, you first must fulfill all "Prior to Commencing Injection" requirements of the Final Permit, Part II Section C Subpart 1, and obtain written Authorization to Inject from the EPA. It is your responsibility to be familiar with and to comply with all provisions of your Final Permit.

This EPA UIC Permit is issued for the operating life of the well unless terminated (Part III, Section B). The EPA may review this Permit at least every five (5) years to determine whether any action is warranted pursuant to 40 CFR § 144.36(a).

If you have any questions on the enclosed Final Permit or Statement of Basis, please call Patricia Pfeiffer of my staff at (303) 312-6271, or toll-free at (800) 227-8917, ext. 312-6271.

Sincerely,

for Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

enclosure:
Final UIC Permit
Statement of Basis
Form 7520-7 Application to Transfer Permit
Form 7520-11 Monitoring Report
Form 7520-14 Plugging Plan
Form 7520-12 Well Rework Record
Groundwater Section Guidance 34
Groundwater Section Guidance 35
Groundwater Section Guidance 37
Groundwater Section Guidance 39

cc:
Curtis Cesspooch, Chairperson
Uintah & Ouray Business Committee
Ute Indian Tribe

Ronald Groves, Councilman
Uintah & Ouray Business Committee
Ute Indian Tribe

Irene Cuch, Vice-Chairperson
Uintah & Ouray Business Committee
Ute Indian Tribe

Steven Cesspooch, Councilman
Uintah & Ouray Business Committee
Ute Indian Tribe

Phillip Chimbraus, Councilman
Uintah & Ouray Business Committee
Ute Indian Tribe

Francis Poowegup, Councilman
Uintah & Ouray Business Committee
Ute Indian Tribe

Chester Mills, Superintendent
BIA - Uintah & Ouray Indian Agency

Shawn Chapoose, Director
Land Use Department
Ute Indian Tribe

Gil Hunt
Technical Services Manager
Utah Division of Oil, Gas, and Mining

Fluid Minerals Engineering Office
BLM - Vernal Office

Lynn Becker, Director
Energy and Minerals Department
Ute Indian Tribe

EPA

UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT

PREPARED: September 2007

Permit No. UT21062-07150

Class II Salt Water Disposal Well

Buck Camp 11-22-14-36 WD
Uintah County, UT

Issued To

Enduring Resources LLC
475 17th Street, Suite 1500
Denver, CO 80202

Part I. AUTHORIZATION TO CONSTRUCT AND OPERATE

Under the authority of the Safe Drinking Water Act and Underground Injection Control (UIC) Program regulations of the U. S. Environmental Protection Agency (EPA) codified at Title 40 of the Code of Federal Regulations (40 CFR) Parts 2, 124, 144, 146, and 147, and according to the terms of this Permit,

Enduring Resources LLC
475 17th Street, Suite 1500
Denver, CO 80202

is authorized to construct and to operate the following Class II injection well or wells:

Buck Camp 11-22-14-36 WD
851' FSL 475 ' FWL, SWSW S36, T11S, R22E
Uintah County, UT

EPA regulates the injection of fluids into injection wells so that injection does not endanger underground sources of drinking water (USDWs). EPA UIC Permit conditions are based on authorities set forth at 40 CFR Parts 144 and 146, and address potential impacts to USDWs.

Under 40 CFR Part 144, Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General permit conditions for which the content is mandatory and not subject to site-specific differences are not discussed in this document. Issuance of this Permit does not convey any property rights of any sort or any exclusive privilege, nor does it authorize injury to persons or property or invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. (40 CFR §144.35) An EPA UIC Permit may be issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR §§144.39, 144.40 and 144.41, and may be reviewed at least once every five (5) years to determine if action is required under 40 CFR §144.36(a).

This Permit is issued for the life of the well(s) unless modified, revoked and reissued, or terminated under 40 CFR 144.39 or 144.40. This EPA Permit may be adopted, modified, revoked and reissued, or terminated if primary enforcement authority for a UIC Program is delegated to an Indian Tribe or State. Upon the effective date of delegation, reports, notifications, questions and other correspondence should be directed to the Indian Tribe or State Director.

Issue Date: OCT 5 2007 Effective Date OCT 5 2007

for Stephen S. Tuber
Assistant Regional Administrator*
Office of Partnerships and Regulatory Assistance

*NOTE: The person holding this title is referred to as the "Director" throughout this Permit.

PART II. SPECIFIC PERMIT CONDITIONS

Section A. WELL CONSTRUCTION REQUIREMENTS

These requirements represent the approved minimum construction standards for well casing and cement, injection tubing, and packer.

Details of the approved well construction plan are incorporated into this Permit as APPENDIX A. Changes to the approved plan that may occur during construction must be approved by the Director prior to being physically incorporated.

1. Casing and Cement.

The well or wells shall be cased and cemented to prevent the movement of fluids into or between underground sources of drinking water. The well casing and cement shall be designed for the life expectancy of the well and of the grade and size shown in APPENDIX A. Remedial cementing may be required if shown to be inadequate by cement bond log or other attempted demonstration of Part II (External) mechanical integrity.

2. Injection Tubing and Packer.

Injection tubing is required, and shall be run and set with a packer at or below the depth indicated in APPENDIX A. The packer setting depth may be changed provided it remains below the depth indicated in APPENDIX A and the Permittee provides notice and obtains the Director's approval for the change.

3. Sampling and Monitoring Devices.

The Permittee shall install and maintain in good operating condition:

(a) a "tap" at a conveniently accessible location on the injection flow line between the pump house or storage tanks and the injection well, isolated by shut-off valves, for collection of representative samples of the injected fluid; and

(b) one-half (1/2) inch female iron pipe fitting, isolated by shut-off valves and located at the wellhead at a conveniently accessible location, for the attachment of a pressure gauge capable of monitoring pressures ranging from normal operating pressures up to the Maximum Allowable Injection Pressure specified in APPENDIX C:

  (i) on the injection tubing; and

  (ii) on the tubing-casing annulus (TCA); and

(c) a pressure actuated shut-off device attached to the injection flow line set to shut-off the injection pump when or before the Maximum Allowable Injection Pressure (MAIP) specified in APPENDIX C is reached at the wellhead; and

(d) a non-resettable cumulative volume recorder attached to the injection line.

4. Well Logging and Testing

Well logging and testing requirements are found in APPENDIX B. The Permittee shall ensure the log and test requirements are performed within the time frames specified in APPENDIX B. Well logs and tests shall be performed according to current EPA-approved procedures. Well log and test results shall be submitted to the Director within sixty (60) days of completion of the logging or testing activity, and shall include a report describing the methods used during logging or testing and an interpretation of the test or log results.

The latest version of the "EPA Region 6 UIC Pressure Falloff Testing Guideline" shall be used as a guideline for designing the required Pressure Falloff Test. This guideline often refers to hazardous waste wells and regulatory terms associated with them, but the pressure falloff test design, test methods, and test interpretation guidelines are all very appropriate to Class II wells.

5. Postponement of Construction or Conversion

The Permittee shall complete well construction within one year of the Effective Date of the Permit, or in the case of an Area Permit within one year of Authorization of the additional well. Authorization to construct and operate shall expire if the well has not been constructed within one year of the Effective Date of the Permit or Authorization and the Permit may be terminated under 40 CFR 144.40, unless the Permittee has notified the Director and requested an extension prior to expiration. Notification shall be in writing, and shall state the reasons for the delay and provide an estimated completion date. Once Authorization has expired under this part, the complete permit process including opportunity for public comment may be required before Authorization to construct and operate may be reissued.

6. Workovers and Alterations

Workovers and alterations shall meet all conditions of the Permit. Prior to beginning any addition or physical alteration to an injection well that may significantly affect the tubing, packer or casing, the Permittee shall give advance notice to the Director and obtain the Director's approval. The Permittee shall record all changes to well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workover, logging, or test data to EPA within sixty (60) days of completion of the activity.

A successful demonstration of Part I MI is required following the completion of any well workover or alteration which affects the casing, tubing, or packer. Injection operations shall not be resumed until the well has successfully demonstrated mechanical integrity and the Director has provided written approval to resume injection.

Section B. MECHANICAL INTEGRITY

The Permittee is required to ensure each injection well maintains mechanical integrity at all times. The Director, by written notice, may require the Permittee to comply with a schedule describing when mechanical integrity demonstrations shall be made.

An injection well has mechanical integrity if:

(a) There is no significant leak in the casing, tubing, or packer (Part I); and

(b) There is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the injection well bore (Part II).

1. Demonstration of Mechanical Integrity (MI).

The operator shall demonstrate MI prior to commencing injection and periodically thereafter. Well-specific conditions dictate the methods and the frequency for demonstrating MI and are discussed in the Statement of Basis. The logs and tests are designed to demonstrate both internal (Part I) and external (Part II) MI as described above. The conditions present at this well site warrant the methods and frequency required in Appendix B of this Permit.

In addition to these regularly scheduled demonstrations of MI, the operator shall demonstrate internal (Part I) MI after any workover which affects the tubing, packer or casing.

The Director may require additional or alternative tests if the results presented by the operator are not satisfactory to the Director to demonstrate there is no movement of fluid into or between USDWs resulting from injection activity. Results of MI tests shall be submitted to the Director as soon as possible but no later than sixty (60) days after the test is complete.

2. Mechanical Integrity Test Methods and Criteria

EPA-approved methods shall be used to demonstrate mechanical integrity. Ground Water Section Guidance No. 34 "Cement Bond Logging Techniques and Interpretation", Ground Water Section Guidance No. 37, "Demonstrating Part II (External) Mechanical Integrity for a Class II injection well permit", and Ground Water Section Guidance No. 39, "Pressure Testing Injection Wells for Part I (Internal) Mechanical Integrity" are available from EPA and will be provided upon request.

The Director may stipulate specific test methods and criteria best suited for a specific well construction and injection operation.

3. Notification Prior to Testing.

The Permittee shall notify the Director at least 30 days prior to any scheduled mechanical integrity test. The Director may allow a shorter notification period if it would be sufficient to enable EPA to witness the mechanical integrity test. Notification may be in the form of a yearly or quarterly schedule of planned mechanical integrity tests, or it may be on an individual basis.

4. Loss of Mechanical Integrity.

If the well fails to demonstrate mechanical integrity during a test, or a loss of mechanical integrity becomes evident during operation (such as presence of pressure in the TCA, water flowing at the surface, etc.), the Permittee shall notify the Director within 24 hours (see Part III Section E Paragraph 11(e) of this Permit) and the well shall be shut-in within 48 hours unless the Director requires immediate shut-in.

Within five days, the Permittee shall submit a follow-up written report that documents test results, repairs undertaken or a proposed remedial action plan.

Injection operations shall not be resumed until after the well has successfully been repaired and demonstrated mechanical integrity, and the Director has provided approval to resume injection.

Section C. WELL OPERATION

INJECTION BETWEEN THE OUTERMOST CASING PROTECTING UNDERGROUND SOURCES OF DRINKING WATER AND THE WELL BORE IS PROHIBITED.

Injection is approved under the following conditions:

1. Requirements Prior to Commencing Injection.

Well injection, including for new wells authorized by an Area Permit under 40 CFR 144.33 (c), may commence only after all well construction and pre-injection requirements herein have been met and approved. The Permittee may not commence injection until construction is complete, and

(a) The Permittee has submitted to the Director a notice of completion of construction and a completed EPA Form 7520-10 or 7520-12; all applicable logging and testing requirements of this Permit (see APPENDIX B) have been fulfilled and the records submitted to the Director; mechanical integrity pursuant to 40 CFR 146.8 and Part II Section B of this Permit has been demonstrated; and

(i) The Director has inspected or otherwise reviewed the new injection well and finds it is in compliance with the conditions of the Permit; or

(ii) The Permittee has not received notice from the Director of his or her intent to inspect or otherwise review the new injection well within 13 days of the date of the notice in Paragraph 1a, in which case prior inspection or review is waived and the Permittee may commence injection.

2. Injection Interval.

Injection is permitted only within the approved injection interval, listed in APPENDIX C. Additional individual injection perforations may be added provided that they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6.

3. Injection Pressure Limitation

(a) The permitted Maximum Allowable Injection Pressure (MAIP), measured at the wellhead, is found in APPENDIX C. Injection pressure shall not exceed the amount the Director determines is appropriate to ensure that injection does not initiate new fractures or propagate existing fractures in the confining zone adjacent to USDWs. In no case shall injection pressure cause the movement of injection or formation fluids into a USDW.

(b) The Permittee may request a change of the MAIP, or the MAIP may be increased or decreased by the Director in order to ensure that the requirements in Paragraph (a) above are fulfilled. The Permitee may be required to conduct a step rate injection test or other suitable test to provide information for determining the fracture pressure of the injection zone. Change of the permitted MAIP by the Director shall be by modification of this Permit and APPENDIX C.

4. Injection Volume Limitation.

Injection volume is limited to the total volume specified in APPENDIX C.

If the injection zone is shown to contain fluids of less than 10,000 mg/L total dissolved solids (TDS), then an aquifer exemption decision will need to be made prior to approval for injection. If an aquifer exemption is approved, the cumulative injected fluid volume will need to be monitored to ensure that the injectate is not moving out of the authorized 1/4 mile radius.

5. Injection Fluid Limitation.

Injected fluids are limited to those which are brought to the surface in connection with conventional oil or natural gas production and may be commingled with waste waters from gas plants which are an integral part of production operations unless those waters are classified as a hazardous waste at the time of injection, pursuant to 40 CFR 144.6(b). The well also may be used to inject approved Class II wastes brought to the surface such as drilling fluids and spent well completion, treatment and stimulation fluids. Non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes and vacuum truck wastes, are NOT approved. This well is NOT approved for commercial brine or other fluid disposal operation.

Fluid sources are listed in Appendix C of the Permit No. UT21062-07150.

6. Tubing-Casing Annulus (TCA)

The tubing-casing annulus (TCA) shall be filled with water treated with a corrosion inhibitor, or other fluid approved by the Director. The TCA valve shall remain closed during normal operating conditions and the TCA pressure shall be maintained at zero (0) psi.

If TCA pressure cannot be maintained at zero (0) psi, the Permittee shall follow the procedures in Ground Water Section Guidance No. 35 "Procedures to follow when excessive annular pressure is observed on a well."

Section D. MONITORING, RECORDKEEPING, AND REPORTING OF RESULTS

1. Monitoring Parameters, Frequency, Records and Reports.

Monitoring parameters are specified in APPENDIX D. Pressure monitoring recordings shall be taken at the wellhead. The listed parameters are to be monitored, recorded and reported at the frequency indicated in APPENDIX D even during periods when the well is not operating.

Monitoring records must include:

(a) the date, time, exact place and the results of the observation, sampling, measurement, or analysis, and;

(b) the name of the individual(s) who performed the observation, sampling, measurement, or analysis, and;

(c) the analytical techniques or methods used for analysis.

2. Monitoring Methods.

(a) Monitoring observations, measurements, samples, etc. taken for the purpose of complying with these requirements shall be representative of the activity or condition being monitored.

(b) Methods used to monitor the nature of the injected fluids must comply with analytical methods cited and described in Table 1 of 40 CFR 136.3 or Appendix III of 40 CFR 261, or by other methods that have been approved in writing by the Director.

(c) Injection pressure, annulus pressure, injection rate, and cumulative injected volumes shall be observed and recorded at the wellhead under normal operating conditions, and all parameters shall be observed simultaneously to provide a clear depiction of well operation.

(d) Pressures are to be measured in pounds per square inch (psi).

(e) Fluid volumes are to be measured in standard oil field barrels (bbl).

(f) Fluid rates are to be measured in barrels per day (bbl/day).

3. Records Retention.

(a) Records of calibration and maintenance, and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained for a period of AT LEAST THREE (3) YEARS from the date of the sample, measurement, report, or application. This period may be extended anytime prior to its expiration by request of the Director.

(b) Records of the nature and composition of all injected fluids must be retained until three (3) years after the completion of any plugging and abandonment (P&A) procedures specified under 40 CFR 144.52(a)(6) or under Part 146 Subpart G, as appropriate. The Director may require the Permittee to deliver the records to the Director at the conclusion of the retention period. The Permittee shall continue to retain the records after the three (3) year retention period unless the Permittee delivers the records to the Director or obtains written approval from the Director to discard the records.

(c) The Permittee shall retain records at the location designated in APPENDIX D.

4. Annual Reports.

Whether the well is operating or not, the Permittee shall submit an Annual Report to the Director that summarizes the results of the monitoring required by Part II Section D and APPENDIX D. The report of fluids injected during the year must identify each new fluid source by well name and location, and the field name or facility name.

The first Annual Report shall cover the period from the effective date of the Permit through December 31 of that year. Subsequent Annual Reports shall cover the period from January 1 through December 31 of the reporting year. Annual Reports shall be submitted by February 15 of the year following data collection. EPA Form 7520-11 may be copied and shall be used to submit the Annual Report, however, the monitoring requirements specified in this Permit are mandatory even if EPA Form 7520-11 indicates otherwise.

Section E. PLUGGING AND ABANDONMENT

1. Notification of Well Abandonment, Conversion or Closure.

The Permittee shall notify the Director in writing at least forty-five (45) days prior to: 1) plugging and abandoning an injection well, 2) converting to a non-injection well, and 3) in the case of an Area Permit, before closure of the project.

2. Well Plugging Requirements

Prior to abandonment, the injection well shall be plugged with cement in a manner which isolates the injection zone and prevents the movement of fluids into or between underground sources of drinking water, and in accordance with 40 CFR 146.10 and other applicable Federal, State or local law or regulations. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. Prior to placement of the cement plug(s) the well shall be in a state of static equilibrium with the mud weight equalized top to bottom, either by circulating the mud in the well at least once or by a comparable method prescribed by the Director.

3. Approved Plugging and Abandonment Plan.

The approved plugging and abandonment plan is incorporated into this Permit as APPENDIX E. Changes to the approved plugging and abandonment plan must be approved by the Director prior to beginning plugging operations. The Director also may require revision of the approved plugging and abandonment plan at any time prior to plugging the well.

4. Forty Five (45) Day Notice of Plugging and Abandonment.

The Permittee shall notify the Director at least forty-five (45) days prior to plugging and abandoning a well and provide notice of any anticipated change to the approved plugging and abanonment plan.

5. Plugging and Abandonment Report.

Within sixty (60) days after plugging a well, the Permittee shall submit a report (EPA Form 7520-13) to the Director. The plugging report shall be certified as accurate by the person who performed the plugging operation. Such report shall consist of either:

(a) A statement that the well was plugged in accordance with the approved plugging and abandonment plan; or

(b) Where actual plugging differed from the approved plugging and abandonment plan, an updated version of the plan, on the form supplied by the Director, specifying the differences.

6. Inactive Wells.

After any period of two years during which there is no injection the Permittee shall plug and abandon the well in accordance with Part II Section E Paragraph 2 of this Permit unless the Permittee:

(a) Provides written notice to the Director;

(b) Describes the actions or procedures the Permittee will take to ensure that the well will not endanger USDWs during the period of inactivity. These actions and procedures shall include compliance with mechanical integrity demonstration, Financial Responsibility and all other permit requirements designed to protect USDWs; and

(c) Receives written notice by the Director temporarily waiving plugging and abandonment requirements.

PART III. CONDITIONS APPLICABLE TO ALL PERMITS

Section A. EFFECT OF PERMIT

The Permittee is allowed to engage in underground injection in accordance with the conditions of this Permit. The Permittee shall not construct, operate, maintain, convert, plug, abandon, or conduct any other activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR 142 or may otherwise adversely affect the health of persons. Any underground injection activity not authorized by this Permit or by rule is prohibited. Issuance of this Permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of any other Federal, State or local law or regulations. Compliance with the terms of this Permit does not constitute a defense to any enforcement action brought under the provisions of Section 1431 of the Safe Drinking Water Act (SDWA) or any other law governing protection of public health or the environment, for any imminent and substantial endangerment to human health or the environment, nor does it serve as a shield to the Permittee's independent obligation to comply with all UIC regulations. Nothing in this Permit relieves the Permittee of any duties under applicable regulations.

Section B. CHANGES TO PERMIT CONDITIONS

1. Modification, Reissuance, or Termination.

The Director may, for cause or upon a request from the Permittee, modify, revoke and reissue, or terminate this Permit in accordance with 40 CFR 124.5, 144.12, 144.39, and 144.40. Also, this Permit is subject to minor modification for causes as specified in 40 CFR 144.41. The filing of a request for modification, revocation and reissuance, termination, or the notification of planned changes or anticipated noncompliance on the part of the Permittee does not stay the applicability or enforceability of any condition of this Permit.

2. Conversions.

The Director may, for cause or upon a written request from the Permittee, allow conversion of the well from a Class II injection well to a non-Class II well. Conversion may not proceed until the Permittee receives written approval from the Director. Conditions of such conversion may include but are not limited to, approval of the proposed well rework, follow up demonstration of mechanical integrity, well-specific monitoring and reporting following the conversion, and demonstration of practical use of the converted configuration.

3. Transfer of Permit.

Under 40 CFR 144.38, this Permit is transferable provided the current Permittee notifies the Director at least thirty (30) days in advance of the proposed transfer date (EPA Form 7520-7) and provides a written agreement between the existing and new Permittees containing a specific date for transfer of Permit responsibility, coverage and liability between them. The notice shall adequately demonstrate that the financial responsibility requirements of 40 CFR 144.52(a)(7) will be met by the new Permittee. The Director may require modification or revocation and reissuance of the Permit to change the name of the Permittee and incorporate such other requirements as may be necessary under the Safe Drinking Water Act; in some cases, modification or revocation and reissuance is mandatory.

4. Permittee Change of Address.

Upon the Permittee's change of address, or whenever the operator changes the address where monitoring records are kept, the Permittee must provide written notice to the Director within 30 days.

5. Construction Changes, Workovers, Logging and Testing Data

The Permittee shall give advance notice to the Director, and shall obtain the Director's written approval prior to any physical alterations or additions to the permitted facility. Alterations or workovers shall meet all conditions as set forth in this permit. The Permittee shall record any changes to the well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workovers, logging , or test data to EPA within sixty (60) days of completion of the activity.

Following the completion of any well workovers or alterations which affect the casing, tubing, or packer, a successful demonstration of mechanical integrity (Part III, Section F of this Permit) shall be made, and written authorization from the Director received, prior to resuming injection activities.

Section C. SEVERABILITY

The Provisions of this Permit are severable, and if any provision of this Permit or the application of any provision of this Permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this Permit shall not be affected thereby.

Section D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR 144.5, information submitted to EPA pursuant to this Permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information). Claims of confidentiality for the following information will be denied:

- The name and address of the Permittee, and
- information which deals with the existence, absence or level of contaminants in drinking water.

Section E. GENERAL PERMIT REQUIREMENTS

1. Duty to Comply.

The Permittee must comply with all conditions of this Permit. Any noncompliance constitutes a violation of the Safe Drinking Water Act (SDWA) and is grounds for enforcement action; for Permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application; except that the Permittee need not comply with the provisions of this Permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR 144.34. All violations of the SDWA may subject the Permittee to penalties and/or criminal prosecution as specified in Section 1423 of the SDWA.

2. Duty to Reapply.

If the Permittee wishes to continue an activity regulated by this Permit after the expiration date of this Permit, under 40 CFR 144.37 the Permittee must apply for a new permit prior to the expiration date.

3. Need to Halt or Reduce Activity Not a Defense.

It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this Permit.

4. Duty to Mitigate.

The Permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this Permit.

5. Proper Operation and Maintenance.

The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this Permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this Permit.

6. Permit Actions.

This Permit may be modified, revoked and reissued or teminated for cause. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

7. Property Rights.

This Permit does not convey any property rights of any sort, or any exclusive privilege.

8. Duty to Provide Information.

The Permittee shall furnish to the Director, within a time specified, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The Permittee shall also furnish to the Director, upon request, copies of records required to be kept by this Permit. The Permittee is required to submit any information required by this Permit or by the Director to the mailing address designated in writing by the Director.

9. Inspection and Entry.

The Permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

(a) Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this Permit;

(b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this Permit;

(c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Permit; and,

(d) Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the SDWA, any substances or parameters at any location.

10. Signatory Requirements.

All applications, reports or other information submitted to the Director shall be signed and certified according to 40 CFR 144.32. This section explains the requirements for persons duly authorized to sign documents, and provides wording for required certification.

11. Reporting Requirements.

(a) Planned changes. The Permittee shall give notice to the Director as soon as possible of any planned changes, physical alterations or additions to the permitted facility, and prior to commencing such changes.

(b) Anticipated noncompliance. The Permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

(c) Monitoring Reports. Monitoring results shall be reported at the intervals specified in this Permit.

(d) Compliance schedules. Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted no later than 30 days following each schedule date.

(e) Twenty-four hour reporting. The Permittee shall report to the Director any noncompliance which may endanger human health or the environment, including:

(i) Any monitoring or other information which indicates that any contaminant may cause endangerment to a USDW; or

(ii) Any noncompliance with a permit condition or malfunction of the injection system which may cause fluid migration into or between USDWs.

Information shall be provided, either directly or by leaving a message, within twenty-four (24) hours from the time the permittee becomes aware of the circumstances by telephoning (800) 227-8917 and requesting EPA Region VIII UIC Program Compliance and Technical Enforcement Director, or by contacting the EPA Region VIII Emergency Operations Center at (303) 293-1788.

In addition, a follow up written report shall be provided to the Director within five (5) days of the time the Permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause, the period of noncompliance including exact dates and times, and if the noncompliance has not been corrected the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

(f) Oil Spill and Chemical Release Reporting: The Permittee shall comply with all reporting requirements related to the occurence of oil spills and chemical releases by contacting the National Response Center (NRC) at (800) 424-8802, (202) 267-2675, or through the NRC website http://www.nrc.uscg.mil/index.htm.

(g) Other Noncompliance. The Permittee shall report all instances of noncompliance not reported under paragraphs Part III, Section E Paragraph 11(b) or Section E, Paragraph 11(e) at the time the monitoring reports are submitted. The reports shall contain the information listed in Paragraph 11(e) of this Section.

(h) Other information. Where the Permittee becomes aware that it failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Director, the Permittee shall promptly submit such facts or information to the Director.

Section F. FINANCIAL RESPONSIBILITY

1. Method of Providing Financial Responsibility.

The Permittee shall maintain continuous compliance with the requirement to maintain financial responsibility and resources to close, plug, and abandon the underground injection well(s). No substitution of a demonstration of financial responsibility shall become effective until the Permittee receives written notification from the Director that the alternative demonstration of financial responsibility is acceptable. The Director may, on a periodic basis, require the holder of a permit to revise the estimate of the resources needed to plug and abandon the well to reflect changes in such costs and may require the Permittee to provide a revised demonstration of financial responsibility.

2. Insolvency.

In the event of:

(a) the bankruptcy of the trustee or issuing institution of the financial mechanism; or

(b) suspension or revocation of the authority of the trustee institution to act as trustee; or

(c) the institution issuing the financial mechanism losing its authority to issue such an instrument

the Permittee must notify the Director in writing, within ten (10) business days, and the Permittee must establish other financial assurance or liability coverage acceptable to the Director within sixty (60) days after any event specified in (a), (b), or (c) above.

The Permittee must also notify the Director by certified mail of the commencement of voluntary or involuntary proceedings under Title 11 (Bankruptcy), U.S. Code naming the owner or operator as debtor, within ten (10) business days after the commencement of the proceeding. A guarantor, if named as debtor of a corporate guarantee, must make such a notification as required under the terms of the guarantee.

APPENDIX A

WELL CONSTRUCTION REQUIREMENTS

DRILLING OPERATIONS CONVERSION OPERATIONS

The well will be killed with produced formation water. The 2-3/8" tubing string will be pulled from the well.

A bridge plug will be set at +/-4727 and a 20' cement plug will be dump bailed on top of the bridge plug. This will abandon the existing perforations at 6150-52', 6130-32' & 6050-52'.

A bridge plug will be set at +/-3450 and a 20' cement plug will be dump bailed on top of the bridge plug.

The casing and bridge plug will be pressure tested to 1000 psi.

The proposed injection intervals in the upper Wasatch will be perforated from 3044-53', 3095-3105', 3113-72', 3183-91' & 3310-38' with 2 shots per foot, 180 degree phase.

An injection packer will be set at +/- 3000'. 2-3/8" 4.7# J-55 injection tubing will be run in the hole to the top of the packer. The hole will be displaced with fresh water annulus fluid containing corrosion inhibitors and oxygen scavengers. The tubing will be spaced out and latched onto the packer. The wellhead will be installed and the perforations will be broken down to insure communication to the injection intervals.

Plug placement will be verified by tagging the top of the plug after the cement has had adequate time to set. If a bridge plug is used at the base of the cement plug, tagging the top of the plug is not necessary.

PROPOSED CONVERSION TO WATER DISPOSAL WELL

WELL NAME: BUCK CAMP 11-22-14-36 DATE: 15-Mar-07

LOCATION: SWSW SECTION 36-T11S-R22E, 851' FSL & 475' FWL, UINTAH CTY, UTAH
Lat 39.812208, Long -109.411289

API #: 43 047 37836

SPUD DATE: 6/15/2006

RIG RELEASED: 6/23/2006

KB ELEV: 5,411 Ft

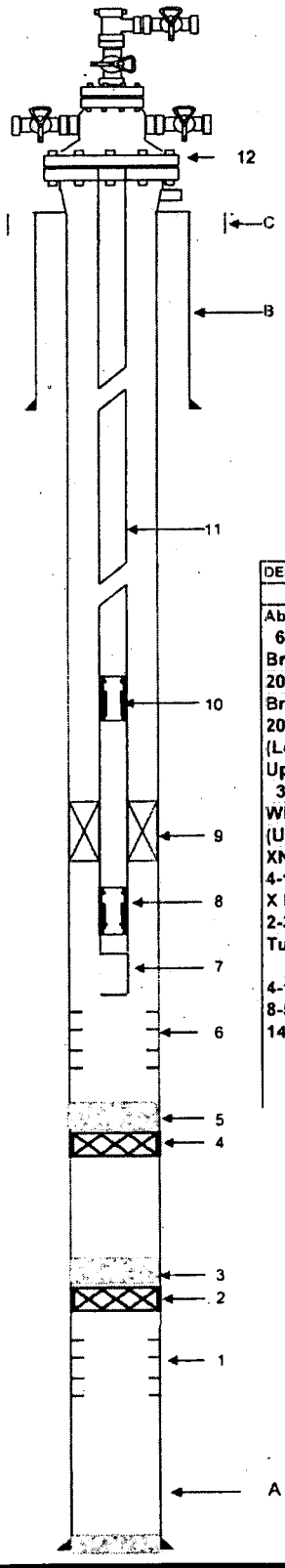
GL ELEV: 5,395 Ft

TD: 6,690 Ft PBTD: 5,995 Ft

TUBULARS:	SIZE Inch	WEIGHT #/ft	GRADE	THREAD	DEPTH	OTHER
Conductor:	14				135	
SURFACE:	8-5/8	32	J-55	ST&C	2,057	
PRODUCTION:	4-1/2	11.6	M-80	LT&C	6,684	
TUBING:	2-3/8	4.7	J-55	EUE	3,000	

CURRENT ZONE: ABANDON MESAVERDE PERFS 6050'-6152' GROSS INTERVAL

WASATCH INJECTION PERFS 3044'-3338' GROSS INTERVAL



DESCRIPTION (starting at the bottom)	LENGTH (ft)	DEPTH (ft)	#
BOTTOM OF TOOL STRING →		3,005	
Abandoned Mesaverde Perforations 6150-52', 6130-32' & 6050-52			1
Bridge Plug set at +/- 4,724' at top of Mesaverde			2
20' Cement Plug			3
Bridge Plug set at +/- 3,450'			4
20' Cement Plug			5
(Lower confining bed 3338-3700)			
Upper Wasatch Injection Perforations 3044-53', 3095-3105', 3113-72', 3183-91' & 3310-38'			6
Wire Line Re-Entry Guide			7
(Upper confining bed 2673-3044)			
XN Nipple			8
4-1/2" Packer set at +/- 3,000'			9
X Nipple			10
2-3/8" 4.7 #/ft J-55 EUE tubing			11
Tubing Hanger & Wellhead			12
4-1/2" 11.6#/ft M-80 LT&C		6,684	A
8-5/8" 32# J-55 ST&C		2,057	B
14" Line Pipe		135	C

DIAGRAM NOT TO SCALE

Buck Camp conversion revised.BMP

APPENDIX B

LOGGING AND TESTING REQUIREMENTS

Logs.
Logs will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well logging required as a condition of this permit.

WELL NAME: Buck Camp 11-22-14-36 WD

TYPE OF LOG	DATE DUE
Injection Profile Survey	Prior to injection
TEMP	The test will be performed 1 year after injection and at 3 years after injection. If confinement is not confirmed, then EPA may consider limiting injection rates of prohibiting injection, if necessary to protect underground sources of drinking water.

Tests.
Tests will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well test required as a condition of this permit.

The latest version of the "EPA Region 6 UIC Pressure Falloff Testing Guideline" shall be used as a guideline for designing the required Pressure Falloff Test. This guideline often refers to hazardous waste wells and regulatory terms associated with them, but the pressure falloff test design, test methods, and test interpretation guidelines are all very appropriate to Class II wells.

WELL NAME: Buck Camp 11-22-14-36 WD

TYPE OF TEST	DATE DUE
Pressure Fall-Off Test	The test will be performed 1 year after injection and at 3 years after injection. If confinement is not confirmed, then EPA may consider limiting injection rates of prohibiting injection, if necessary to protect underground sources of drinking water.
Injection Zone Water Sample	Prior to injection; swab testing on formation-conductivity to be monitored for consistency prior to sample collection; salinity profile on completion fluids to be submitted
Standard Annulus Pressure	Prior to injection and at least once every 5 years thereafter
Pore Pressure	Prior to injection
Step Rate Test	Within 30 days of injection operations

APPENDIX C

OPERATING REQUIREMENTS

MAXIMUM ALLOWABLE INJECTION PRESSURE:
Maximum Allowable Injection Pressure (MAIP) as measured at the surface shall not exceed the pressure(s) listed below.

	MAXIMUM ALLOWED INJECTION PRESSURE (psi)
WELL NAME	ZONE 1 (Upper)
Buck Camp 11-22-14-36 WD	855

INJECTION INTERVAL(S):

Injection is permitted only within the approved injection interval listed below. Injection perforations may be altered provided they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6. Specific injection perforations can be found in Appendix A.

Well Name	TDS (mg/L)	Specific Gravity (mg/L)
Rock House 2D-36	25,487	1.018
Rock House 3-32	30,746	1.021
Rock House 4-36	31,853	1.022
Rock House 6D-32	30,064	1.021
Rock House 7-32	33,632	1.023
Rock House 11-31	29,622	1.020
Rock House 12D-32	24,922	1.017
Archy Bench 12-23-42-16	8,395	1.006
Archy Bench 11-24-24-32	5,087	1.005
Archy Bench 12-23-22-16	3,159	1.003
East Bench 11-22-11-16	30,079	1.022
Big Pack 12-21-22-2	51,392	1.036
Buck Camp 11-22-11-25	48,953	1.035
Buck Camp 11-22-11-26	51,773	1.037
Buck Camp 11-22-11-36	49,578	1.034
Buck Camp 12-22-21-2	30,026	1.021
Buck Camp 31-5	11,307	1.009
Buck Camp 6-15	8,985	1.007
Buck Camp 3-12	45,574	1.032
Hanging Rock 12-24-11-18	14,180	1.011
Rainbow 11-24-31-16	8,036	1.006
Rock Hopper 29-11	11,171	1.009
Rock House 5-32	28,934	1.021
Rock House 6D-32	5,781	1.004
Rock House 10D-32	21,720	1.015
Rock House 10-22-21-36	59,186	1.042
Rock House 10-22-13-36	34,672	1.025
Rock House 10-22-14-36	34,012	1.024
Rock House 10-22-31-36	43,384	1.031
Stump Jumper 11-23-23-33B	9,363	1.007
Thurston 12-1	22,763	1.016

WELL NAME: Buck Camp 11-22-14-36 WD

FORMATION NAME	APPROVED INJECTION INTERVAL (KB, ft) TOP	BOTTOM	FRACTURE GRADIENT (psi/ft)
Wasatch Formation	3,044.00 -	3,338.00	0.730

ANNULUS PRESSURE:
The annulus pressure shall be maintained at zero (0) psi as measured at the wellhead. If this pressure cannot be maintained, the Permittee shall follow the procedures listed under Part II, Section C. 6. of this permit.

MAXIMUM INJECTION VOLUME:
There is no limitation on the number of barrels per day (bbls/day) of water that shall be injected into this well, provided further that in no case shall injection pressure exceed that limit shown in Appendix C.

If the injection zone is shown to contain fluids of less than 10,000 mg/L total dissolved solids (TDS), then an aquifer exemption decision will need to be made prior to approval for injection. If an aquifer exemption is approved, the cumulative injected fluid volume limit is 17,225,989 bbl and will need to be monitored to ensure that the injectate is not moving out of the authorized 1/4 mile radius.

APPENDIX D

MONITORING AND REPORTING PARAMETERS

This is a listing of the parameters required to be observed, recorded, and reported. Refer to the permit Part II, Section D, for detailed requirements for observing, recording, and reporting these parameters.

OBSERVE WEEKLY AND RECORD AT LEAST ONCE EVERY THIRTY DAYS	
OBSERVE AND RECORD	Injection pressure (psig)
	Annulus pressure(s) (psig)
	Injection rate (bbl/day)
	Fluid volume injected since the well began injecting (bbls)

ANNUALLY	
ANALYZE	Injected fluid total dissolved solids (mg/l)
	Injected fluid specific gravity
	Injected fluid specific conductivity
	Injected fluid pH

ANNUALLY	
REPORT	Each month's maximum and averaged injection pressures (psig)
	Each month's maximum and averaged annulus pressure(s) (psig)
	Each month's averaged injection rate (bbl/day)
	Fluid volume injected since the well began injecting (bbl)
	Written results of annual injected fluid analysis
	Sources of all fluids injected during the year

Records of all monitoring activities must be retained and made available for inspection at the following location:

Enduring Resources
475 Seventeenth Street, Suite 1500
Denver, CO 80202

APPENDIX E

PLUGGING AND ABANDONMENT REQUIREMENTS

PLUGGING AND ABANDONMENT REQUIREMENTS

The operator will file and obtain approval for a detailed P&A plan for approval prior to initiating any P&A operations. Typical P&A operations may be as follows:

1. Set wireline bridge plug above the injection interval at approximately 3000 ft. Pressure test the casing string and the bridge plug. Dump 20' cement on top of the bridge plug, abandoning the injection zone perforations.

2. Go in hole with tubing and pump four 100 ft cement plugs from 2921' to 2821' across USDW at 2871', from 2718' to 2618' across the Wasatch Top at 2668', from 2107' to 2007' across surface casing at 2057' and from 100' to surface. Cement will be Class G with additives. Each 100' plug will be approximately 8 sacks of cement.

3. Remove wellhead. Install plug and abandon marker. Remove all equipment and reclaim location.

Plug placement will be verified by tagging the top of the plug after the cement has had adequate time to set. If a bridge plug is used at the base of the cement plug, tagging the top of the plug is not necessary.

A plugging procedure will be submitted and approval obtained with the appropriate regulatory agencies before any plugging operations are conducted.

PROPOSED PLUG AND ABANDON SCHEMATIC

WELL NAME: BUCK CAMP 11-22-14-36 DATE: 15-Mar-07

LOCATION: SWSW SECTION 36-T11S-R22E, 851' FSL & 475' FWL, UINTAH CTY, UTAH
Lat 39.812208, Long -109.411289

API # 43 047 37836

SPUD DATE: 6/15/2006

RIG RELEASED: 6/23/2006

KB ELEV: 5,411 Ft

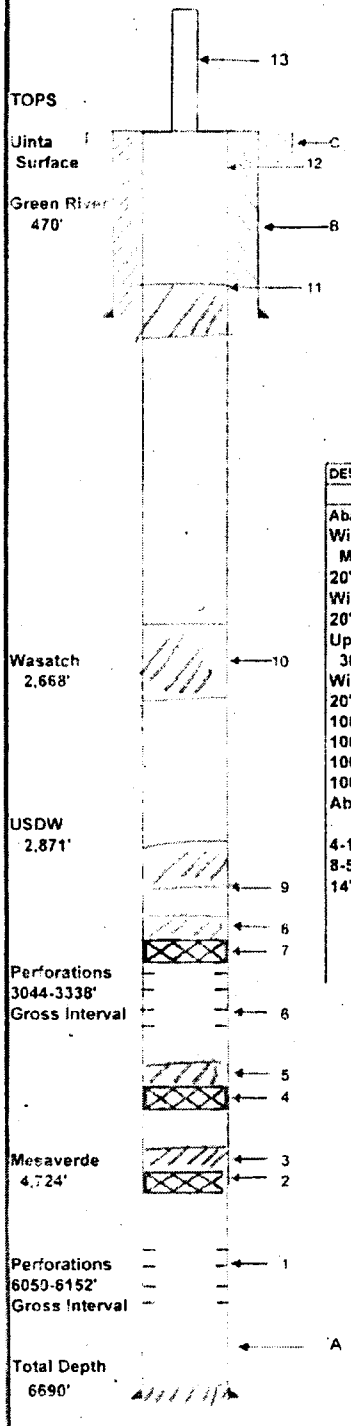
GL ELEV: 5,395 Ft

TD: 6,690 Ft PBTD: Surface Ft

TUBULARS:	SIZE Inch	WEIGHT #/ft	GRADE	THREAD	DEPTH	OTHER
Conductor:	14				135	
SURFACE:	8-5/8	32	J-55	ST&C	2,057	
PRODUCTION:	4-1/2	11.6	M-80	LT&C	6,684	
TUBING:						

CURRENT ZONE: ABANDON MESAVERDE PERFS 6050'-6152' GROSS INTERVAL

ABANDON WASATCH INJECTION PERFS 3044'-3338' GROSS INTERVAL



DESCRIPTION (starting at the bottom)	LENGTH (ft)	DEPTH (ft)	#
BOTTOM OF TOOL STRING →		4,500	
Abandoned Mesaverde Perforations 6150-52',			1
Wire line set bridge plug set at +/- 4,724' at top of Mesaverde			2
20' cement plug			3
Wire line set bridge plug set at +/- 3,450'			4
20' cement plug			5
Upper Wasatch Injection Perforations 3044-53', 3095-3105', 3113-72', 3183-91' & 3310-38'			6
Wire line set bridge plug set at +/- 3,000'			7
20' cement plug dumped with wire line bailer			8
100' cement plug from 2921' to 2821'			9
100' cement plug from 2718' to 2618'			10
100' cement plug from ~~807' to 207'~~ 2007' to 2107'			11
100' cement plug from 100' to surface			12
Abandoned Well marker			13
4-1/2" 11.6#/ft M-80 LT&C		6,684	A
8-5/8" 32# J-55 ST&C		2,057	B
14" Line Pipe		135	C

DIAGRAM NOT TO SCALE

Buck Camp P&A revised.BMP

APPENDIX F

CORRECTIVE ACTION REQUIREMENTS

No corrective action is deemed necessary for this project.

STATEMENT OF BASIS

ENDURING RESOURCES LLC
BUCK CAMP 11-22-14-36 WD
UINTAH COUNTY, UT

EPA PERMIT NO. UT21062-07150

CONTACT: Patricia Pfeiffer
U. S. Environmental Protection Agency
Ground Water Program, 8P-W-GW
1595 Wynkoop Street
Denver, Colorado 80202-1129
Telephone: 1-800-227-8917 ext. 312-6271

This STATEMENT OF BASIS gives the derivation of site-specific UIC Permit conditions and reasons for them. Referenced sections and conditions correspond to sections and conditions in the Permit.

EPA UIC permits regulate the injection of fluids into underground injection wells so that the injection does not endanger underground sources of drinking water. EPA UIC permit conditions are based upon the authorities set forth in regulatory provisions at 40 CFR Parts 144 and 146, and address potential impacts to underground sources of drinking water. Under 40 CFR 144.35 Issuance of this permit does not convey any property rights of any sort or any exclusive privilege, nor authorize injury to persons or property of invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. Under 40 CFR 144 Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General Permit conditions for which the content is mandatory and not subject to site-specific differences (40 CFR Parts 144, 146 and 147) are not discussed in this document.

Upon the Effective Date when issued, the Permit authorizes the construction and operation of injection wells so that the injection does not endanger underground sources of drinking water, governed by the conditions specified in the Permit. The Permit is issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR 144.39, 144.40 and 144.41. The Permit is subject to EPA review at least once every five (5) years to determine if action is required under 40 CFR 144.36(a).

PART I. General Information and Description of Facility

Enduring Resources LLC
475 17th Street, Suite 1500
Denver, CO 80202

on

May 23, 2007

submitted an application for an Underground Injection Control (UIC) Program Permit or Permit Modification for the following injection well or wells:

In the original application, Enduring Resources proposed to drill and complete a Class II well. Enduring Resources made an economic decision, and requested modification of their original Permit to instead allow use of a pre-existing wellbore to be converted into an injection well. The pre-existing wellbore is located approximately 1 mile to the south of the originally propsed drill site.

The injection well will be used for the disposal of water produced from natural gas wells in the Rock House Field area, Uinta County, Utah. The injection fluids currently proposed for disposal will be produced water from the Wasatch and Mesaverde Formations.

The well is located within the exterior boundaries of the Uintah & Ouray Indian Reservation. Notice of intent of the EPA proposed permit decision will be published in the local newspaper and notices will be sent to the U.S. Bureau of Land Management-Vernal Office, Bureau of Indian Affairs, Ute Indian Tribe, and State of Utah-Natural Resources Division.

Buck Camp 11-22-14-36 WD
851' FSL 475 ' FWL, SWSW S36, T11S, R22E
Uintah County, UT

Regulations specific to Uintah-Ouray Indian Reservation injection wells are found at 40 CFR 147 Subpart TT.

The application, including the required information and data necessary to issue or modify a UIC Permit in accordance with 40 CFR Parts 144, 146 and 147, was reviewed and determined by EPA to be complete.

The Permit will expire upon delegation of primary enforcement responsibility (primacy) for applicable portions of the UIC Program to the Ute Indian Tribe or the State of Utah unless the delegated agency has the authority and chooses to adopt and enforce this Permit as a Tribal or State Permit.

TABLE 1.1 shows the status of the well or wells as "New", "Existing", or "Conversion" and for Existing shows the original date of injection operation. Well authorization "by rule" under 40 CFR Part 144 Subpart C expires automatically on the Effective Date of an issued UIC Permit.

TABLE 1.1 WELL STATUS / DATE OF OPERATION		
CONVERSION WELLS		
Well Name	**Well Status**	**Date of Operation**
Buck Camp 11-22-14-36 WD	Conversion	N/A

PART II. Permit Considerations (40 CFR 146.24)

Hydrogeologic Setting

The Uinta Basin is a major sedimentary basin of the western-central Rocky Mountain province. The basin is both a structural and a topographic basin located in northeastern Utah and northwest Colorado. The surface terrain is high mountain desert in the central part of the basin, and elevations vary from approximately 5,600 feet to over 11,000 feet above sea level. The topographic basin extends about 200 miles west to east and 173 miles north to south and has an area of about 10,000 square miles. It is strongly asymmetric, bounded by the Uinta Mountain uplift on the north and by the Wasatch Mountain uplift and the eastern faulted margin of the Wasatch Plateau on the west. Dip on the southwest and southeast flanks range from a few degrees to up to 15°. The north flank is highly complex, with major faulting and steep to overturned beds. The basin is considered to be a major producer of gas for the United States. The greatest portion of the energy resources are hydrocarbons, in the forms of coal, oil and gas, bituminous sandstone and limestone, and some gilsonite. The Uintah & Ouray Indian Reservation comprises just over 4 million acres of this area, reaching from the Utah-Colorado border west to the Wasatch Mountain Range.

Groundwater hydrology of the Uinta Basin is controlled primarily by the geologic structure of the region. Recharge of groundwater is greatest near the northern edge of the basin. On the south flank of the basin, most recharge is in the areas of highest altitude where precipitation is greatest. However, because of the low dip of the south flank, few formations except the Green River Formation are exposed to recharge. The major direction of ground water flow in this portion of the Uinta Basin is predominantly toward the White River. The White River is located approximately 8 miles to the north of the proposed well location. Intermittent drainages near the well feed into the White River. Bitter Creek is located within 500 feet of the proposed well location.

During the Eocene time, large amounts of sediment form adjacent higher areas were deposited in various lacustrine and fluvial environments in the basin. These sediments total more that 15,000 feet thick in the center of the basin and contain important mineral resources. During the Sevier/Laramide mountain building episode, deformation (thrust faulting and downwarping) occurred in the basin. The basin had several lakes that accumulated large amounts of organic material, and later heat and pressure of burial changed the organic-rich sediment into the thick oil shale of the middle and upper Green River Formation. The geologic formations of interest for this well, in descending order, are the Uinta and Green River Formations and the Wasatch Group.

The Uinta Formation is exposed at the surface in the area of the proposed well. The Uinta is comprised of thinly bedded calcareous shale, siltstone, and fine-grained sandstone. Hydraulic conductivity of the Uinta may be greatly enhanced by naturally occurring fractures.

The Green River Formation is comprised of sandstones, limestone and shale beds that were deposited along the edges and on the broad level floor of Lake Uinta as it expanded and contracted through time. Deposition in and around Lake Uinta consisted of open to marginal lacustrine sediments that make up the Green River Formation. The cyclic nature of deposition in the southern shore area resulted in numerous stacked deltaic deposits. Distributary mouth bars, distributary channels, and near shore bars are the primary producing sandstone reservoirs in the area (Ref: "Reservoir Characterization of the Lower Green River Formation, Southwest Uinta Basin, Utah Biannual Technical Progress Report, 4/1/99 9/30/99", by C. D. Morgan, Program Manager, November 1999, Contract DE AC26 98BC15103). Intervals in which porous sandstones occur are comprised of tight sandstone and interbedded shale forming the confining layers to the individual sandstone lenses. The top member of the Green River Formation, the Parachute Creek Member, is exposed at the surface approximately 4 miles from the well location. In some areas

there is complex intertonguing between the sediments of the underlying Wasatch and the Green River Formation. In the eastern portion of the basin, the Green River thins to about 1000 ft as the lower part pinches out. Gilsonite, a naturally occurring solid amorphous asphaltic bitumen originated by solidification of petroleum, occurs in veins that fill the vertical tensional fractures in this area that are rooted in the upper Green River oil shale.

The Wasatch Group, in descending order, is divided into the Colton, Flagstaff, and North Horn Formations. The Flagstaff Formation is not present at the proposed well location. The Colton is described as being primarily sandstone with mudstone (shale) and minor limestone. The sandstone units are characterized by mud chips, mud clasts, and discontinuous finer-grained beds. The Colton displays complex reservoir geometry, and heterogeneity is typical. The North Horn consists of conglomerate, sandstone, siltstone, and lacustrine limestone and shale. The basal unit consists of thin lacustrine shale and lime wackestone overlain by variegated floodplain mudstones and fine-grained fluvial sandstones.

Geologic Setting (TABLE 2.1)

TABLE 2.1
GEOLOGIC SETTING
Buck Camp 11-22-14-36 WD

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Lithology
Uinta Formation	0	148	0 - 3,000	calcareous shale, claystone, sandstone, and bentonite beds
Green River Formation	148	2,673	0 - 3,000	greenish-gray shales with interbedded sandstone, marlstone, limestone, oil-shale, and trona (sodium carbonate)
Wasatch Formation	2,673	4,724	3,000 - 35,000	shale and claystone with interbedded conglomerate and sandstone
Mesaverde Formation	4,724	7,343	10,000 - 35,000	interbedded sandstone, siltstone, and shale with minor coal beds

Proposed Injection Zone(s) (TABLE 2.2)

An injection zone is a geological formation, group of formations, or part of a formation that receives fluids through a well. The proposed injection zones are listed in TABLE 2.2.

Injection will occur into an injection zone that is separated from USDWs by a confining zone which is free of known open faults or fractures within the Area of Review.

The Wasatch is the proposed injection zone. EPA has evaluated the capacity of the proposed injection zone to accept fluids, using porosity data and the effective height from the Buck Camp 11-22-14-36 production well. The portion of the Wasatch Formation proposed for injection was calculated to have a cumulative volume capacity of approximately 17,225,989 barrels within the quarter mile area of review.

An Injection Profile Survey, using either a spinner or tracer test, will be required prior to injection. Along with a profile of fluid loss versus depth, these data provide an indication of the absence of

fluid channeling away from the well bore, and also can be used to determine an accurate volume that the formation can receive should an aquifer exemption be necessary.

Formation fluid sampling and analysis of the injection zone will be required prior to injection. Swab testing will be conducted, with conductivity monitored for consistency before the sample is collected. The operator will also provide a salinity profile on the completion fluids.

If the injection zone is shown to contain fluids of less than 10,000 mg/l total dissolved solids (TDS), an aquifer exemption will be required prior to approval for injection.

TABLE 2.2
INJECTION ZONES
Buck Camp 11-22-14-36 WD

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Fracture Gradient (psi/ft)	Porosity	Exempted?*
Wasatch Formation	3,044	3,338	3,000 - 35,000	0.730		N/A

*** C - Currently Exempted**
E - Previously Exempted
P - Proposed Exemption
N/A - Not Applicable

Confining Zone(s) (TABLE 2.3)
A confining zone is a geological formation, part of a formation, or a group of formations that limits fluid movement above the injection zone. The confining zone or zones are listed in TABLE 2.3.

Impermeable intervals of the Wasatch are identified as the confining zones that will prevent migration of fluid outside of the injection zone. The following estimated depths are based on the analysis of the porosity, gamma ray, resistivity, and caliper wireline logs for the Buck Camp 11-22-14-36 production well.

1. The upper confining zone, a 371 foot section of shale and claystone, is estimated at between 2673-3044 feet below ground surface.

2. The lower confining zone, a 362 foot section that consists primarily of shale and claystone, is estimated at between 3338-3700 feet below ground surface.

Gilsonite veins in the Uinta Basin vary in width from fractions of an inch to almost 18 feet, and average about 3 to 6 feet. These veins can be vertically continuous for hundreds to approximately 2,000 feet and more. Because there is concern that the fractures associated with these gilsonite veins could act as conduits for the fluid migration out of the proposed injection zone, a pressure falloff test and temperature survey will be required after 1 year and after 3 years of operation to evaluate continuing confinement of injection fluid within the injection zone. If confinement is not confirmed, EPA may consider limiting injection rates or prohibiting injection, if necessary to protect underground sources of drinking water.

TABLE 2.3
CONFINING ZONES
Buck Camp 11-22-14-36 WD

Formation Name	Formation Lithology	Top (ft)	Base (ft)
Wasatch Formation-Upper	primarily shale and claystone	2,673	3,044
Wasatch Formation-Lower	primarily shale and claystone	3,338	3,700

Underground Sources of Drinking Water (USDWs) (TABLE 2.4)

Aquifers or the portions thereof which contain less than 10,000 mg/l total dissolved solids (TDS) and are being or could in the future be used as a source of drinking water are considered to be USDWs. The USDWs in the area of this facility are identified in TABLE 2.4.

Based on the Technical Publication No. 92, Utah Department of Natural Resources, the base of USDWs at the proposed well location is found at 2,871 feet below ground surface. However, according to published information, water in the Uinta, Green River, and Wasatch aquifers has been found to range from fresh to briny. Therefore, unless water samples are collected and prove otherwise, these will be considered to be USDWs. The Douglas Creek-Renegade aquifer, consisting of the Douglas Creek Member of the Green River Formation and the Renegade Tongue of the Wasatch Formation, is a basin-wide aquifer underlying the Duchesne River-Uinta aquifer. The Douglas Creek-Renegade aquifer is thick, and has a hydraulic conductivity ranging from 0.05 to 0.25 ft/d in the southeastern part of the Uinta Basin (Holmes and Kimball, 1983).

TABLE 2.4
UNDERGROUND SOURCES OF DRINKING WATER (USDW)
Buck Camp 11-22-14-36 WD

Formation Name	Formation Lithology	Top (ft)	Base (ft)	TDS (mg/l)
Uinta Formation	calcareous shale, claystone, sandstone, and bentonite beds	0	148	0 - 3,000
Green River	greenish-gray shales with interbedded sandstone, marlstone, limestone, oil-shale and trona (sodium carbonate); USGS Pub. 92 places base of USDW at 2,871 ft bgs	148	2,673	0 - 3,000
Wasatch Formation	shale and claystone with interbedded conglomerate and sandstone	2,673	4,724	3,000 - 35,000

PART III. Well Construction (40 CFR 146.22)

TABLE 3.1
WELL CONSTRUCTION REQUIREMENTS
Buck Camp 11-22-14-36 WD

Casing Type	Hole Size (in)	Casing Size (in)	Cased Interval (ft)	Cemented Interval (ft)
line pipe	20.00	14.00	0 - 135	0 - 135
surface	12.25	8.63	0 - 2,057	0 - 2,057
longstring	7.88	4.50	0 - 6,683	1,450 - 6,622

The approved well completion plan will be incorporated into the Permit as APPENDIX A and will be binding on the Permittee. Modification of the approved plan is allowed under 40 CFR 144.52(a)(1) provided written approval is obtained from the Director prior to actual modification.

Casing and Cementing (TABLE 3.1)
The well construction plan was evaluated and determined to be in conformance with standard practices and guidelines that ensure well injection does not result in the movement of fluids into USDWs. Well construction details for this "new" injection well is shown in TABLE 3.1.

Remedial cementing may be required if the casing cement is shown to be inadequate by cement bond log or other demonstration of Part II (External) mechanical integrity.

Tubing and Packer
Injection tubing is required to be installed from a packer up to the surface inside the well casing. The packer will be set above the uppermost perforation. The tubing and packer are designed to prevent injection fluid from coming into contact with the outermost casing.

Tubing-Casing Annulus (TCA)
The TCA allows the casing, tubing and packer to be pressure-tested periodically for mechanical integrity, and will allow for detection of leaks. The TCA will be filled with fresh water treated with a corrosion inhibitor or other fluid approved by the Director.

Monitoring Devices
The permittee will be required to install and maintain wellhead equipment that allows for monitoring pressures and providing access for sampling the injected fluid. Required equipment may include but is not limited to: 1) shut-off valves located at the wellhead on the injection tubing and on the TCA; 2) a flow meter that measures the cumulative volume of injected fluid; 3) fittings or pressure gauges attached to the injection tubing and the TCA for monitoring the injection and TCA pressure; and 4) a tap on the injection line, isolated by shut-off valves, for sampling the injected fluid.

All sampling and measurement taken for monitoring must be representative of the monitored activity.

PART IV. Area of Review, Corrective Action Plan (40 CFR 144.55)

Bitter Creek 1 is located in T11S-R23E-S30, approximately 1 mile away. It is the only plugged and abandoned well in the nearby area. The well was initially plugged in August 1961. In September 1961, the well was re-entered with plugs drilled out to 4758 ft bgs, then re-plugged. The well has casing set at 6804 ft bgs. A temperature survey concluded that the top of cement outside casing is at 4823 ft below ground surface. The engineer for the USGS reviewed the well and declared that "the following wells have been satisfactorily abandoned and approved by his agency."

After reviewing the State of Utah, Division of Water Rights web page, it was determined that Enduring Resources owns the only water well in the AOR. The well is drilled 600 ft below ground surface.

Gilsonite veins are displayed at the surface within 2.5 miles of the proposed well location.

Four production wells, (Buck Camp 12-22-21-2, Buck Camp (2-2) 12-22-31-2, Buck Camp 12-22-42-2, and Buck Camp (4-36) 11-22-11-36) are located within 1 mile of the proposed injection well's location. The open hole log data for all of these wells was reviewed for the presence of both the upper and lower confining zone. All of the wells reviewed had both of the confining zones present.

TABLE 4.1
AOR AND CORRECTIVE ACTION

Well Name	Type	Status (Abandoned Y/N)	Total Depth (ft)	TOC Depth (ft)	CAP Required (Y/N)
Buck Camp 11-22-14-36 WSW	Water Source	No	600	0	No

TABLE 4.1 lists the wells in the Area of Review ("AOR") and shows the well type, operating status, depth, top of casing cement ("TOC") and whether a Corrective Action Plan ("CAP") is required for the well.

Area Of Review

Applicants for Class I, II (other than "existing" wells) or III injection well Permits are required to identify the location of all known wells within the injection well's Area of Review (AOR) which penetrate the injection zone, or in the case of Class II wells operating over the fracture pressure of the formation, all known wells within the area of review that penetrate formations which may be affected by increased pressure. Under 40 CFR 146.6 the AOR may be a fixed radius of not less than one quarter (1/4) mile or a calculated zone of endangering influence. For Area Permits, a fixed width of not less than one quarter (1/4) mile for the circumscribing area may be used.

After reviewing the State of Utah, Division of Water Rights web page, it was determined that there are no drinking water wells in the AOR.

Corrective Action Plan

For wells in the AOR which are improperly sealed, completed, or abandoned, the applicant shall develop a Corrective Action Plan (CAP) consisting of the steps or modifications that are necessary to prevent movement of fluid into USDWs.

The CAP will be incorporated into the Permit as APPENDIX F and become binding on the permittee.

No corrective action is required.

PART V. Well Operation Requirements (40 CFR 146.23)

Enduring Resources will be the sole operator of the proposed Buck Camp 11-22-14-36 WD injection well. To monitor and record injection pressures, each well head will be equipped with a pressure chart that will be read by an approved Enduring Resources employee (pumper) on a weekly basis. Electronic data from the pressure chart will be checked daily for accuracy and compliance with system requirements.

Enduring Resources is requiring truck drivers hauling disposable water to the wells to be pre-qualified and be identified with a truck number and driver number. No driver will be able to enter the site without pre-authorization. No water will be accepted from any industrial process or from fracture fluids, or from any source other than those pre-screened and pre-approved by Enduring Resources and approved by the EPA. Enduring Resource will be maintaining chain of custody documentation.

The Buck Camp 11-22-14-36 WD injection well will be enclosed inside a chain link fence. All fence gates will be locked and keys or entrance codes will only be provided to authorized Enduring Resources employees or contractors.

TABLE 5.1
INJECTION ZONE PRESSURES
Buck Camp 11-22-14-36 WD

Formation Name	Depth Used to Calculate MAIP (ft)	Fracture Gradient (psi/ft)	Initial MAIP (psi)
Wasatch Formation	3,044	0.730	855

Approved Injection Fluid

The approved injection fluid is limited to Class II injection well fluids pursuant to 40 CFR § 144.6(b). For disposal wells injecting water brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, the fluid may be commingled and the well used to inject other Class II wastes such as drilling fluids and spent well completion, treatment and stimulation fluid. Injection of non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes, and vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste, is prohibited.

Well Name	TDS (mg/L)	Specific Gravity (mg/L)
Rock House 2D-36	25,487	1.018
Rock House 3-32	30,746	1.021
Rock House 4-36	31,853	1.022
Rock House 6D-32	30,064	1.021
Rock House 7-32	33,632	1.023
Rock House 11-31	29,622	1.020
Rock House 12D-32	24,922	1.017
Archy Bench 12-23-42-16	8,395	1.006
Archy Bench 11-24-24-32	5,087	1.005

Archy Bench 12-23-22-16	3,159	1.003
East Bench 11-22-11-16	30,079	1.022
Big Pack 12-21-22-2	51,392	1.036
Buck Camp 11-22-11-25	48,953	1.035
Buck Camp 11-22-11-26	51,773	1.037
Buck Camp 11-22-11-36	49,578	1.034
Buck Camp 12-22-21-2	30,026	1.021
Buck Camp 31-5	11,307	1.009
Buck Camp 6-15	8,985	1.007
Buck Camp 3-12	45,574	1.032
Hanging Rock 12-24-11-18	14,180	1.011
Rainbow 11-24-31-16	8,036	1.006
Rock Hopper 29-11	11,171	1.009
Rock House 5-32	28,934	1.021
Rock House 6D-32	5,781	1.004
Rock House 10D-32	21,720	1.015
Rock House 10-22-21-36	59,186	1.042
Rock House 10-22-13-36	34,672	1.025
Rock House 10-22-14-36	34,012	1.024
Rock House 10-22-31-36	43,384	1.031
Stump Jumper 11-23-23-33B	9,363	1.007
Thurston 12-1	22,763	1.016

Injection Pressure Limitation

Injection pressure, measured at the wellhead, shall not exceed a maximum calculated to assure that the pressure used during injection does not initiate new fractures or propagate existing fractures in the confining zones adjacent to the USDWs.

A step rate test will be required for the proposed injection zone to determine the fracture gradient for the zone. The initial Maximum Allowable Injection Pressure (MAIP) of 855 psig, based on an estimated fracture gradient of 0.73 psi/ft, will initially be approved until results of the step rate test are evaluated.

The applicant submitted injection fluid density and injection zone data which was used to calculate a formation fracture pressure and to determine the maximum allowable injection pressure (MAIP), as measured at the surface, for this Permit.

TABLE 5.1 lists the fracture gradient for the injection zone and the approved MAIP, determined according to the following formula:

$$FP = [fg - (0.433 * sg)] * d$$

FP = formation fracture pressure (measured at surface)
fg = fracture gradient (from submitted data or tests)
sg = specific gravity (of injected fluid)
d = depth to top of injection zone (or top perforation)

Injection Volume Limitation

Cumulative injected fluid volume limits are set to assure that injected fluids remain within the boundary of the exempted area. Cumulative injected fluid volume is limited when injection occurs into an aquifer that has been exempted from protection as a USDW.

If the injection zone is shown to contain fluids of less than 10,000 mg/L total dissolved solids (TDS), then an aquifer exemption decision will need to be made prior to approval for injection. If an aquifer exemption is approved, the cumulative injected fluid volume will need to be monitored to ensure that the injectate is not moving out of the authorized 1/4 mile radius.

Mechanical Integrity (40 CFR 146.8)

An injection well has mechanical integrity if:

1. there is no significant leak in the casing, tubing, or packer (Part I); and
2. there is no significant fluid movement into a USDW through vertical channels adjacent to the injection well bore (Part II).

The Permit prohibits injection into a well which lacks mechanical integrity.

The Permit requires that the well demonstrate mechanical integrity prior to injection and periodically thereafter. A demonstration of mechanical integrity includes both internal (Part I) and external (Part II). The methods and frequency for demonstrating Part I and Part II mechanical integrity are dependent upon well-specific conditions as explained below.

PART VI. Monitoring, Recordkeeping and Reporting Requirements

Injection Well Monitoring Program

At least once a year the permittee must analyze a sample of the injected fluid for total dissolved solids (TDS), specific conductivity, pH, and specific gravity. This analysis shall be reported to EPA annually as part of the Annual Report to the Director. Any time a new source of injected fluid is added, a fluid analysis shall be made of the new source.

Instantaneous injection pressure, injection flow rate, cumulative fluid volume and TCA pressures must be observed on a weekly basis. A recording, at least once every thirty (30) days, must be made of the injection pressure, annulus pressure, monthly injection flow rate and cumulative fluid volume. This information is required to be reported annually as part of the Annual Report to the Director.

PART VII. Plugging and Abandonment Requirements (40 CFR 146.10)

Plugging and Abandonment Plan

Prior to abandonment, the well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs, and in accordance with any applicable Federal, State or local law or regulation. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. Within sixty (60) days after plugging the owner or operator shall submit Plugging Record (EPA Form 7520 13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. The plugging and abandonment plan is described in Appendix E of the Permit.

PART VIII. Financial Responsibility (40 CFR 144.52)

Demonstration of Financial Responsibility

The permittee is required to maintain financial responsibility and resources to close, plug, and abandon the underground injection operation in a manner prescribed by the Director. The permittee shall show evidence of such financial responsibility to the Director by the submission of a surety bond, or other adequate assurance such as financial statements or other materials acceptable to the Director. The Regional Administrator may, on a periodic basis, require the holder of a lifetime permit to submit a revised estimate of the resources needed to plug and abandon the well to reflect inflation of such costs, and a revised demonstration of financial responsibility if necessary. Initially, the operator has chosen to demonstrate financial responsibility with:

Surety Bond, received October 10, 2006

Evidence of continuing financial responsibility is required to be submitted to the Director annually.

m 3160-5
gust 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
UTU0284A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
CHAPITA WELLS UNI

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
CHAPITA WELLS UNIT 1041-22

2. Name of Operator
EOG RESOURCES INC
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

9. API Well No.
43-047-38085

3a. Address
600 17TH STREET SUITE 1000N
DENVER, CO 80202

3b. Phone No. (include area code)
Ph: 303-824-5526

10. Field and Pool, or Exploratory
NATURAL BUTTES/MESAVERDE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 22 T9S R22E SWNW 1585FNL 240FWL
40.02438 N Lat, 109.43465 W Lon

11. County or Parish, and State
UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Production Start-up
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was turned to sales on 1/21/2008. Please see the attached operations summary report for drilling and completion operations performed on the subject well.

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #58206 verified by the BLM Well Information System
For EOG RESOURCES INC, sent to the Vernal

Name *(Printed/Typed)* MARY A. MAESTAS — Title REGULATORY ASSISTANT

Signature (Electronic Submission) — Date 01/22/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

RECEIVED

JAN 25 2008

DIV. OF OIL, GAS & MINING

WELL CHRONOLOGY REPORT

Report Generated On: 01-22-2008

Well Name	CWU 1041-22	**Well Type**	DEVG	**Division**	DENVER
Field	CHAPITA DEEP	**API #**	43-047-38085	**Well Class**	COMP
County, State	UINTAH, UT	**Spud Date**	11-22-2007	**Class Date**	
Tax Credit	N	**TVD / MD**	9,600/ 9,600	**Property #**	056830
Water Depth	0	**Last CSG**	2.375	**Shoe TVD / MD**	0/ 0
KB / GL Elev	4,895/ 4,882				
Location	Section 22, T9S, R22E, SWNW, 1585 FNL & 240 FWL				

Event No	1.0	**Description**	DRILL & COMPLETE		
Operator	EOG RESOURCES, INC	**WI %**	56.421	**NRI %**	48.223

AFE No	303407	**AFE Total**	1,838,100	**DHC / CWC**	912,100/ 926,000				
Rig Contr	TRUE	**Rig Name**	TRUE #27	**Start Date**	05-05-2006	**Release Date**	12-02-2007		
05-05-2006	**Reported By**	SHARON WHITLOCK							
DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0				
Cum Costs: Drilling	$0	**Completion**	$0	**Well Total**	$0				
MD	0	**TVD**	0	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0
Formation :		**PBTD :** 0.0		**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: LOCATION DATA

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION DATA 1585' FNL & 240' FWL (SW/NW) SECTION 22, T9S, R22E UINTAH COUNTY, UTAH LAT 40.024383, LONG 109.434653 (NAD 83) LAT 40.024419, LONG 109.433969 (NAD 27) RIG: TRUE #27 OBJECTIVE: 9600' TD, MESAVERDE DW/GAS CHAPITA WELLS DEEP PROSPECT DD&A: CHAPITA DEEP NATURAL BUTTES FIELD LEASE: U-0284-A ELEVATION: ' NAT GL, 4881.9' PREP GL (DUE TO ROUNDING THE PREP GL IS 4882'), 4895' KB (13') EOG WI 52.4206%, NRI 48.22336%

10-01-2007 **Reported By** BRYON TOLMAN

DailyCosts: Drilling $38,000 **Completion** $0 **Daily Total** $38,000
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION STARTED.

10-02-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $38,000 **Completion** $0 **Daily Total** $38,000
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	30% COMPLETE.

10-03-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 0 **TVD** 0 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	50% COMPLETE.

10-04-2007 **Reported By** TERRY CSERE/KAYLENE GARDNER

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 40 **TVD** 40 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: SPUD NOTIFICATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SHOOTING TODAY. - CRAIG'S ROUSTABOUT SERVICE SPUD A 20" HOLE ON 10/3/2007 @ 12:30 PM. SET 40' OF 14" CONDUCTOR. CEMENT TO SURFACE WITH READY MIX. LESTER FARNSWORTH NOTIFIED CAROL DANIELS W/UDOGM AND MICHAEL LEE W/BLM OF THE SPUD 10/3/2007 @ 11:30 AM.

10-05-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling $0 **Completion** $0 **Daily Total** $0
Cum Costs: Drilling $38,000 **Completion** $0 **Well Total** $38,000
MD 40 **TVD** 40 **Progress** 0 **Days** 0 **MW** 0.0 **Visc** 0.0
Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0
Activity at Report Time: BUILD LOCATION

Start	End	Hrs	Activity Description
06:00	06:00	24.0	PUSHING ON PIT.

10-08-2007 **Reported By** TERRY CSERE

DailyCosts: Drilling	$0	**Completion**	$0	**Daily Total**	$0
Cum Costs: Drilling	$38,000	**Completion**	$0	**Well Total**	$38,000

MD	40	**TVD**	40	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: BUILD LOCATION/WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	LOCATION COMPLETE. WORT.

10-26-2007 **Reported By** JERRY BARNES

DailyCosts: Drilling	$188,259	**Completion**	$0	**Daily Total**	$188,259
Cum Costs: Drilling	$226,259	**Completion**	$0	**Well Total**	$226,259

MD	2,232	**TVD**	2,232	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WORT

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU PRO PETRO AIR RIG #9 ON 10/10/2007. DRILLED 12-1/4" HOLE TO 2280' GL. ENCOUNTERED WATER @ 1470'. RAN 52 JTS (2219.20') OF 9-5/8", 36.0#/FT, J-55, ST&C CASING WITH TOP-CO GUIDE SHOE AND FLOAT COLLAR. 8 CENTRALIZERS SPACED MIDDLE OF SHOE JOINT AND EVERY COLLAR TILL GONE. LANDED @ 2232' KB. RAN 200' OF 1" PIPE DOWN BACK SIDE. RDMO AIR RIG. MIRU PRO PETRO CEMENTING. HELD SAFETY MEETING. PRESSURE TESTED LINES AND CEMENT VALVE TO 1000 PSIG. PUMPED 165 BBLS FRESH WATER & 20 BBLS GELLED WATER FLUSH AHEAD OF CEMENT. MIXED & PUMPED 200 SX (136 BBLS) OF PREMIUM LEAD CEMENT W/16% GEL, 10 #/ SX GILSONITE, 3 #/ SX GR-3, 3% SALT & ¼ #/ SX FLOCELE. MIXED CEMENT @ 11.0 PPG W/YIELD OF 3.82 CF/SX. TAILED IN W/200 SX (42 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED TAIL CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. DISPLACED CEMENT W/168.1 BBLS FRESH WATER. BUMPED PLUG W/700# @ 6:34 AM, 10/14/2007. CHECKED FLOAT, FLOAT HELD. SHUT-IN CASING VALVE. BROKE CIRCULATION 105 BBLS INTO DISPLACEMENT. LOST CIRCULATION 142 BBLS INTO DISPLACEMENT. RE-ESTABLISHED CIRCULATION 151 BBLS INTO DISPLACEMENT. NO CEMENT TO SURFACE. HOLE FELL BACK WHEN PLUG BUMPED. TOP JOB # 1: PUMP DOWN 200' OF 1" PIPE. MIXED & PUMPED 100 SX (20 BBLS) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 3 HRS 30 MINUTES. TOP JOB # 2: MIXED & PUMPED 50 SX (10 BBLS) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 2 HRS. TOP JOB # 3: MIXED & PUMPED 100 SX (20 BBLS) OF PREMIUM CEMENT W/4% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 2 HRS. TOP JOB # 4: MIXED & PUMPED 150 SX (30 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. NO RETURNS. WOC 2 HRS. TOP JOB # 5: MIXED & PUMPED 150 SX (30 BBLS) OF PREMIUM CEMENT W/2% CACL2 & ¼ #/ SX FLOCELE. MIXED CEMENT @ 15.6 PPG W/YIELD OF 1.18 CF/SX. HOLE FILLED & STOOD FULL. RDMO PRO PETRO CEMENTERS.

PREPARED LOCATION FOR ROTARY RIG. WORT. WILL DROP FROM REPORT UNTIL FURTHER ACTIVITY.

MIRU GLENNS WIRELINE. RUN IN HOLE W/STRAIGHT HOLE SURVEY. TAG CEMENT @ 2077'. PICKED UP TO 2057' & TOOK SURVEY. 2 DEGREE.

LESTER FARNSWORTH NOTIFIED JAMIE SPARGER W/BLM OF THE SURFACE CASING & CEMENT JOB ON 10/13/2007 @ 11:50 AM.

11-22-2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$42,294	**Completion**	$0	**Daily Total**	$42,294
Cum Costs: Drilling	$268,553	**Completion**	$0	**Well Total**	$268,553

MD	2,232	**TVD**	2,232	**Progress**	0	**Days**	0	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: TEST BOP

Start	End	Hrs	Activity Description
06:00	07:00	1.0	PREPARE FOR RIG MOVE. HELD SAFETY MEETING WITH JONES TRUCKERS.
07:00	10:30	3.5	LOAD OUT RIG AND ROAD 1 MILE TO CWU 1041-22.
10:30	14:00	3.5	SET IN RIG, TRUCKS OFF LOCATION AT 1400 HRS.
14:00	23:00	9.0	RIG UP. DERRICK RAISED AT 15:30 HRS. RIG ON DAYWORK AT 2300 HRS., 11/21/2007.
23:00	00:00	1.0	NIPPLE UP BOP
00:00	06:00	6.0	TEST BOP. JAMIE SPARGER WITH BLM WAS NOTIFIED VIA PHONE MESSAGE AT 1600 HRS. AND REMINDED ABOUT BOP TEST AT MIDNIGHT.
			SHOULD BE DONE TESTING AT 0630 HRS.
			TEST UPPER AND LOWER KELLY,SAFETY,ALL CHOKE VALVES, PIPE, BLIND RAMS TO 5000 PSI FOR 10 MINS., AND 250 PSI FOR 10 MINS. ANNULAR TO 2500 PSI FOR 10 MINS. AND 250 PSI FOR 10 MINS.
			FULL CREWS PLUS 5 EXTRA HANDS FOR RIG MOVE. NO ACCIDENTS.
			SAFETY MEETINGS ON STEAM AND HIGH PRESSURE LINES.
			FUEL ON HAND 6675 GALS., USED 259.
			UNMANNED LOGGER 1 DAY.
			BOILER 5 HRS.

11-23-2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$55,602	**Completion**	$0	**Daily Total**	$55,602
Cum Costs: Drilling	$324,155	**Completion**	$0	**Well Total**	$324,155

MD	3,539	**TVD**	3,539	**Progress**	1,307	**Days**	1	**MW**	8.6	**Visc**	27.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	06:30	0.5	TEST CASING TO 1500 PSI FOR 30 MINS.
06:30	07:00	0.5	INSTALL WEAR RING.
07:00	08:00	1.0	RIG UP PICKUP MACHINE. HELD PRE JOB SAFETY MEETING.
08:00	11:30	3.5	PICK UP PIPE, TAG CEMENT AT 2070'.
11:30	12:00	0.5	RIG DOWN PICKUP MACHINE.
12:00	12:30	0.5	SERVICE RIG.
12:30	13:00	0.5	INSTALL ROTATING HEAD.
13:00	15:00	2.0	DRILL CEMENT/FLOAT EQUIP.

15:00	15:30	0.5	PERFORM FIT TO 250 PSI. EQUIVALENT TO 10.5 PPG AT SHOE.
15:30	18:00	2.5	DRILL FROM 2232' TO 2539'. 307' AT 122.8'/HR. 18K WOB, 55–65 RPM, 67 MOTOR RPM. 950 PSI AT 125 STROKES OFF BOTTOM, #1 PUMP. 420 GPM.
18:00	18:30	0.5	SURVEY, 1*
18:30	05:30	11.0	DRILL FROM 2539' TO 3539', 1000' AT 90.9'/HR, 18–20K WOB, 55–65 RPM, 67 MOTOR RPM, 1440 PSI OFF BOTTOM AT 125 STROKES, #1 PUMP, 200–350 PSI DIFFERENTIAL, 420 GPM.
05:30	06:00	0.5	SURVEY.

NO ACCIDENTS, FULL CREWS.

SAFETY MEETINGS ON PICKING UP PIPE AND TRIPPING HAZARDS.

FUEL ON HAND 5535 GALS., USED 1140.

MUD WT.8.9 PPG, VIS 30.

WASATCH TOP AT 4756'.

BOP DRILL HELD ON MORN. WELL SECURED 98 SECS.

UNMANNED LOGGER DAYS 2.

CHECKED COM.

NO FLOW OR LOSSES.

BOILER 16.

06:00		18.0	SPUD 7 7/8" HOLE AT 15:30 HRS, 11/22/07.

11–24–2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$31,722	**Completion**	$0	**Daily Total**	$31,722
Cum Costs: Drilling	$355,877	**Completion**	$0	**Well Total**	$355,877

MD	5,235	**TVD**	5,235	**Progress**	1,696	**Days**	2	**MW**	9.3	**Visc**	32.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL FROM 3539' TO 4137', 598' AT 92'/HR., 18–22K WOB, 55–65 RPM, MOTOR RPM 67, 1400 PSI AT 125 STROKES OFF BOTTOM. 200–375 PSI DIFFERENTIAL. 420 GPM.
12:30	13:00	0.5	SERVICE RIG. OPERATE COM., PIPE RAMS.
13:00	17:30	4.5	DRILL FROM 4137' TO 4545'. 408' AT 90'/HR. SAME PARAMETERS AS ABOVE.
17:30	18:00	0.5	SURVEY 2*. NO FLOW.
18:00	06:00	12.0	DRILL FROM 4545' TO 5235', 690' AT 57'/HR.,18–23K WOB, 55–65 RPM, MOTOR RPM 67, 1800 PSI AT 126 STROKES, #1 PUMP OFF BOTTOM, 150–300 PSI DIFFERENTIAL. 420 GPM.

FULL CREWS. 1 REPORTABLE MINOR ACCIDENT. NO HOSPITAL WAS REQUIRED.

SAFETY MEETINGS ON LIFTING AND TEAMWORK.

FUEL ON HAND 3889 GALS., USED 1646.

MUD WT 9.9 PPG., VIS 34.

WASATCH TOP AT 4756, CHAPITA WELLS 5343'.

BOP DRILL DAYS, SECURED IN 100 SECS.

BG GAS 30U, NO CONN GAS.

UNMANNED LOGGER DAYS 3.

NO FLOW OR LOSSES.

BOILER 17 HRS.

11–25–2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$37,867	**Completion**	$0		**Daily Total**	$37,867			
Cum Costs: Drilling	$393,745	**Completion**	$0		**Well Total**	$393,745			
MD	6,272	**TVD**	6,272	**Progress**	1,037	**Days**	3	**MW**	9.3	**Visc**	33.0
Formation :		**PBTD :** 0.0		**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	09:30	3.5	DRILL FROM 5235' TO 5376', 141' AT 40'/HR., 18-23K WOB, 55-65 RPM, 67 MOTOR RPM. 1650 PSI AT 125 STROKES, #1 PUMP, OFF BOTTOM. 150-350 PSI DIFFERENTIAL. 420 GPM.
09:30	11:00	1.5	LOST COMPLETE RETURNS FOR 20 MINS., REGAIN CIRCULATION, BUILD VOLUME, LOST 190 BBLS.
11:00	14:00	3.0	DRILL FROM 5376' TO 5514', 138' AT 46'/HR. SAME PARAMETERS AS ABOVE. NO LOSSES.
14:00	14:30	0.5	RIG SERVICE
14:30	06:00	15.5	DRILL FROM 5514' TO 6272', 758' AT 48'/HR, 18-24K WOB, 55-65 RPM, 67 MOTOR RPM, 1900 PSI AT 124 STROKES, OFF BOTTOM, #1 PUMP, 417 GPM. LOST 40 BBLS MUD AT 5700'.
			1 ACCIDENT(TEVIS WALKER), FULL CREWS.
			SAFETY MEETINGS ON METHANOL USE AND WORKING IN A CLEAN ENVIRONMENT.
			FUEL ON HAND 2319 GALS, USED 1570.
			MUD WT 9.8 PPG, VIS 36, LCM 3%.
			BUCK CANYON TOP AT 6010'.
			BG GAS 70 U, NO CONN GAS, HAD GAS DETECTOR CHECKED LAST NIGHT.
			UN MANNED LOGGER DAYS 3.
			OPERATED COM, BOILER 24 HRS.
			NO LOSSES SINCE DRINK AT 5700'(12 HRS), WILL START SHAKING OUT LCM THIS MORN.
			LOST 230 BBLS MUD YESTERDAY.
			USED 150 BBLS EXISTING STORAGE MUD, BROUGHT IN 200 BBLS MORE.

11-26-2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$61,287	**Completion**	$0		**Daily Total**	$61,287			
Cum Costs: Drilling	$455,032	**Completion**	$0		**Well Total**	$455,032			
MD	6,830	**TVD**	6,830	**Progress**	558	**Days**	4	**MW**	9.8	**Visc**	36.0
Formation :		**PBTD :** 0.0		**Perf :**		**PKR Depth :** 0.0			

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL FROM 6272' TO 6334', 62' AT 24'/HR, 20-24K WOB, 55-65 RPM, MOTOR RPM 67, 1900 PSI OFF BOTTOM PSI AT 124 STROKES. 150-300 PSI DIFFERENTIAL. 407 GPM.
08:30	09:30	1.0	MIX AND PUMP PILL, DROP SURVEY, BLOW KELLY.
09:30	13:30	4.0	OPERATE COM, TRIP OUT, TIGHT FROM 5500' TO 5420'.
13:30	14:30	1.0	OPERATE PIPE AND BLIND RAMS, CHANGE BITS AND MOTOR, LAY DOWN REAMERS.
14:30	18:30	4.0	TRIP IN, BREAK CIRCULATION AT 2115, HOLE IN GOOD SHAPE.
18:30	19:00	0.5	SAFETY REAM 80' TO BOTTOM.
19:00	22:30	3.5	DRILL FROM 6334' TO 6571', 237' AT 67'/HR, 15-20K WOB, 55-60 RPM, 67 MOTOR RPM, 1820 PSI OFF BOTTOM AT 126 STROKES, #1 PUMP, 100-350 PSI DIFFERENTIAL, 424 GPM.
22:30	23:00	0.5	RIG SERVICE
23:00	06:00	7.0	DRILL FROM 6571' TO 6830', 259' AT 37'/HR, SAME PARAMETERS AS ABOVE.
			FULL CREWS, NO ACCIDENTS.
			SAFETY MEETINGS ON STEAM LINES AND WORKING ON PUMPS.
			FUEL ON HAND 5311, USED 1408.

BOP DRILL HELD ON MORN TOUR, 90 SECS.
BG GAS 37U, TRIP GAS 250U.
MUD WT 10.1, VIS 36, LCM TRC.
UN MANNED LOGGER 4 DAYS.
NO LOSSES OR FLOWS.
BOILER 24 HRS.
NORTH HORN TOP AT 6635'.

11-27-2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$78,590	**Completion**	$2,650	**Daily Total**	$81,240
Cum Costs: Drilling	$533,623	**Completion**	$2,650	**Well Total**	$536,273

MD	7,525	**TVD**	7,525	**Progress**	695	**Days**	5	**MW**	10.4	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	10:30	4.5	DRILL FROM 6830' TO 6978', 148' AT 32'/HR, 15-25K WOB, 50-60 RPM, MOTOR RPM 67, 1600 PSI OFF BOTTOM AT 126 STROKES, #1 PUMP, 150-350 PSI DIFFERENTIAL, 420 GPM.
10:30	11:00	0.5	SERVICE RIG, OPERATE COM.
11:00	06:00	19.0	DRILL FROM 6978' TO 7525', 547' AT 28'/HR, 15-25K WOB, 50-60 RPM, MOTOR RPM 67, 1850 PSI AT 125 STROKES OFF BOTTOM, #1 PUMP, 100-350 PSI DIFFERENTIAL, 420 GPM. LOST 45 BBLS AT 7384'.

NO ACCIDENTS. FULL CREWS.
SAFETY MEETINGS ON SLIPS AND BOP OPERATION.
BOP DRILL HELD ON DAYS, WELL SECURED 67 SECS.
FUEL ON HAND 3515 GALS, USED 1796 GALS.
MUD WT 10.5+, VIS 35, LCM 0.
UPPER PRICE RIVER TOP AT 7258'.
BG GAS 170U, CONN GAS 2000U.
UNMANNED LOGGER DAYS 5.
NO FLOW OR FLARES, BUSTER VENTED.
LOST 45 BBLS LAST 24 HRS.
GOING OVER SHAKER.
BOILER 20 HRS.

11-28-2007 **Reported By** PETE AYOTTE

DailyCosts: Drilling	$48,174	**Completion**	$7,612	**Daily Total**	$55,786
Cum Costs: Drilling	$581,797	**Completion**	$10,262	**Well Total**	$592,059

MD	8,002	**TVD**	8,002	**Progress**	477	**Days**	6	**MW**	10.6	**Visc**	38.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL FROM 7525' TO 7603', 78' AT 31'/HR, 15-25K WOB, 50-65 RPM, 67 MOTOR RPM, 1800 PSI AT 125 STROKES, #1 PUMP. 420 GPM. 100-400 PSI DIFFERENTIAL.
08:30	09:00	0.5	SERVICE RIG.
09:00	15:00	6.0	DRILL FROM 7603' TO 7726', 123' AT 20'/HR, SAME PARAMETERS AS ABOVE.
15:00	16:00	1.0	MIX AND PUMP PILL, BLOW KELLY.
16:00	19:30	3.5	TRIP OUT, OPERATE COM ON FIRST STAND.

19:30	20:00	0.5	OPERATE PIPE AND BLIND RAMS, CHANGE MOTORS AND BITS.
20:00	20:30	0.5	TRIP IN TO 1150'
20:30	21:00	0.5	SLIP & CUT DRILL LINE 110', RESET COM.
21:00	23:30	2.5	TRIP IN, TAG BRIDGE AT 7600'. THE REST OF THE TRIP WAS SLICK.
23:30	00:00	0.5	REAM 126' TO BOTTOM.
00:00	06:00	6.0	DRILL FROM 7726' TO 8002'. 276' AT 46'/HR. 15–18K WOB, 50–60 RPM, 67 MOTOR RPM. 1900 PSI AT 125 STROKES OFF BOTTOM, #1 PUMP. 100–300 PSI DIFFERENTIAL. 420 GPM. RESET COM.

NO ACCIDENTS. FULL CREWS.

SAFETY MEETINGS ON GREASING CROWN AND COLD WEATHER.

FUEL ON HAND 2169 GALS, USED 1346.

MUD WT. 10.6, VIS 36.

PRICE RIVER MIDDLE TOP AT 8116'.

BG GAS 440U, CONN GAS 500U, TRIP GAS 6000U.

UNMANNNED LOGGER DAYS 6.

NO LOSSES.

BOILER 21 HRS.

11–29–2007 **Reported By** PAUL WHITE/PETE AYOTTE

DailyCosts: Drilling	$50,033	**Completion**	$0	**Daily Total**	$50,033
Cum Costs: Drilling	$631,830	**Completion**	$10,262	**Well Total**	$642,092

MD	8,737	**TVD**	8,737	**Progress**	735	**Days**	7	**MW**	10.6	**Visc**	35.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	11:30	5.5	DRILL F/ 8002 TO 8036' 34' 6 FPH. WOB 18 RPM 48.
11:30	12:00	0.5	SERVICE RIG.
12:00	06:00	18.0	DRILL F/ 8036 TO 8737' 711' 39 FPH. WOB 23 RPM 50. 420 GPM, MMRPM 67. MW 11.1 VIS 36. SET COM FOR DRILL. BOP DRILL 71 SEC. DRILLING PRICE RIVER MIDDLE. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: STEAM HEATERS, STEAM LINES. FUEL ON HAND 4862 USED 1807.

11–30–2007 **Reported By** PAUL WHITE

DailyCosts: Drilling	$50,666	**Completion**	$0	**Daily Total**	$50,666
Cum Costs: Drilling	$682,496	**Completion**	$10,262	**Well Total**	$692,758

MD	9,150	**TVD**	9,150	**Progress**	413	**Days**	8	**MW**	11.4	**Visc**	33.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: DRILLING

Start	End	Hrs	Activity Description
06:00	08:30	2.5	DRILL F/ 8737' TO 8755' 18' 7 FPH. WOB 25 RPM 50.
08:30	09:30	1.0	CIRC, MIX AND PUMP PILL. DROP SURVEY, BLOW DOWN KELLY. (MUD WT. 11.2)
09:30	19:00	9.5	TRIP FOR BIT #4. SET AND TEST COM. CHANGE MOTOR AND BIT. ADJUST BRAKES. FUNCTION TEST BOP. RIH, HOLE IN GOOD CONDITION.
19:00	23:30	4.5	DRILL F/ 8755 TO 8924' 169' 37 FPH. WOB 13 RPM 50.
23:30	00:00	0.5	SERVICE RIG. SET AND TEST COM FOR DRLG.
00:00	06:00	6.0	DRILL F/ 8924 TO 9150' 226' 38 FPH. WOB 14 RPM 50. MUD WT. 11.4 VIS 37. DRILLING LOWER PRICE RIVER. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: SETTING COM, LAY DOWN PROC. HEAVY LIFTING. SET AND TEST COM. BOP DRILL, CHECK FLOOR VALVE AND INSIDE BOP. FUEL ON HAND 3291 USED 1571.

12–01–2007 **Reported By** PAUL WHITE

DailyCosts: Drilling	$45,917	**Completion**	$0	**Daily Total**	$45,917
Cum Costs: Drilling	$728,414	**Completion**	$10,262	**Well Total**	$738,676

MD	9,600	**TVD**	9,600	**Progress**	450	**Days**	9	**MW**	11.4	**Visc**	37.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: LD DP

Start	End	Hrs	Activity Description
06:00	12:30	6.5	DRILL F/ 9150 TO 9365' 215' 33 FPH. WOB 15 RPM.
12:30	13:00	0.5	SERVICE RIG.
13:00	02:30	13.5	DRILL F/ 9365 TO 9600' TD, 235' 17 FPH. WOB 15/25, RPM 45/50. GPM 420. REACHED TD AT 02:30 HRS, 12/1/07.
02:30	03:30	1.0	10 STAND WIPER TRIP, HOLE IN GOOD CONDITION. SNOW STILL FALLING. APPROX 8" ON GROUND.
03:30	05:00	1.5	CIRCULATE AND RIG UP WEATHERFORD LAY DOWN CREW. HOLD PJSM.
05:00	06:00	1.0	CASING POINT @ 05:00 HRS 12/1/07. POH LAY DOWN DRILL PIPE. MUD WT 11.6 VIS 37. NO ACCIDENTS OR INCIDENTS. SAFETY MEETING TOPICS: LAY DOWN OPS, COLD WEATHER OPS. RESET COM FOR TRIP. NOTIFIED JAMIE SPARGER W/ VERNAL BLM OF INTENTION TO RUN CSG AND CEMENT. CALL MADE 11/30/07 AT 10:00 HRS. FULL CREW. FUEL ON HAND 3366 RECEIVED 1500 USED 1625.

12–02–2007 **Reported By** PAUL WHITE

DailyCosts: Drilling	$35,144	**Completion**	$149,743	**Daily Total**	$184,887
Cum Costs: Drilling	$763,558	**Completion**	$160,005	**Well Total**	$923,563

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	10	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 0.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: RDRT/WO COMPLETION

Start	End	Hrs	Activity Description
06:00	13:00	7.0	LAY DOWN DRILL PIPE, AND BHA. BREAK KELLY, PULL WEAR BUSHING.
13:00	14:00	1.0	RIG UP WEATHERFORD CASING TOOLS, HOLD PJSM W/ CREWS.
14:00	20:00	6.0	RUN 223 JTS CASING W/ 2 MARKER JTS AND 1 SHORT JT BELOW HANGER. TAG BOTTOM AND INSTALL HANGER AND LANDING JT. LOWER INTO POSITION FOR CEMENTING.
20:00	21:30	1.5	CIRCULATE CASING AND RIG DOWN WEATHERFORD AND RIG UP SCHLUMBERGER. HOLD PJSM W/ SCHLUMBERGER.
21:30	00:00	2.5	CEMENTING. SCHLUMBER MIXED AND PUMPED CEMENT AS FOLLOWS: 20 BBLS CHEM WASH, 20 BBLS WATER, 159 BBLS LEAD SLURRY: 35/65 POZ G, SLURRY WT. 13 PPG. (510 SX). FOLLOWED W/363 BBLS. TAIL SLURRY, 50/50 POZ "G" SLURRY WT. 14.1 PPG. 1580 SX), DISPLACED W/ 148 BBLS. WATER. BUMPED PLUG W/ 3,500 PSI, CHECKED FLOATS OK. LANDED 223 JTS. 4.5" 11.6 # N 80 CASING EQUIPED W/ DAVIS LYNCH FLOAT SHOE AND FLOAT COLLAR AND LATCH DOWN WIPER PLUG. CENTRILIZERS PLACED 5' ABOVE SHOE, ON TOP OF SECOND JOINT AND EVERY THIRD JOINT AFTER FOR A TOTAL OF 25. SHOE AT 9585' FLOAT COLLAR AT 9539'. MARKER JT AT 6835' AND 4343'. TESTED HANGER SEALS TO 5,000 PSI, CEMENT IN PLACE AT 00:01 HRS. 12/2/07
00:00	01:00	1.0	NIPPLE DOWN BOP'S, CLEAN MUD PITS.
01:00	06:00	5.0	RIG DOWN PREPARE FOR TRUCKS. MOVE TO CWU 927–26 2.9 MILES. NO ACCIDENTS OR INCIDENTS. SAFETY MEETINGS HELD W/ WEATHERFORD, SCHLUMBERGER. FULL CREW. RIG RELEASED, FINAL REPORT. FUEL ON HAND 2169 USED 1197. TRANSFERED 2169 GAL FUEL AND 6 JTS 4.5" N–80 CASING TO CWU 937–26.

06:00	18.0	RIG RELEASED AT 01:00 HRS, 12/2/07. CASING POINT COST $763,559

12-11-2007 **Reported By** SEARLE

DailyCosts: Drilling	$0	**Completion**	$44,976	**Daily Total**	$44,976
Cum Costs: Drilling	$763,558	**Completion**	$204,981	**Well Total**	$968,539

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	11	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9539.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: PREP FOR FRACS

Start	End	Hrs	Activity Description
06:00	06:00	24.0	MIRU SCHLUMBERGER. LOG WITH RST/CBL/CCL/VDL/GR FROM PBTD TO 650'. EST CEMENT TOP @ 890'. RD SCHLUMBERGER.

12-15-2007 **Reported By** TORR MCCURDY

DailyCosts: Drilling	$0	**Completion**	$1,780	**Daily Total**	$1,780
Cum Costs: Drilling	$763,558	**Completion**	$206,761	**Well Total**	$970,319

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	12	**MW**	0.0	**Visc**	0.0

Formation : **PBTD :** 9539.0 **Perf :** **PKR Depth :** 0.0

Activity at Report Time: WO COMPLETION

Start	End	Hrs	Activity Description
08:00	09:00	1.0	NU 10M FRAC TREE. PRESSURE TESTED FRAC TREE & CASING TO 6500 PSIG. WO COMPLETION.

12-18-2007 **Reported By** TORR MCCURDY

DailyCosts: Drilling	$0	**Completion**	$1,755	**Daily Total**	$1,755
Cum Costs: Drilling	$763,558	**Completion**	$208,516	**Well Total**	$972,074

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	13	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 8260'-8408' **PKR Depth :** 0.0

Activity at Report Time: FRAC MPR/UPR

Start	End	Hrs	Activity Description
06:00	18:30	12.5	RU CUTTERS WIRELINE. PERFORATED LPR FROM 9064'-65', 9077'-78', 9090'-91', 9111'-12', 9122'-23', 9204'-05', 9213'-14', 9225'-26', 9231'-32', 9278'-79', 9327'-28', 9343'-44', 9360'-61' & 9365'-66' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4161 GAL YF116ST+ PAD, 39225 GAL YF116ST+ W/93300# 20/40 SAND @ 1-4 PPG. MTP 6230 PSIG. MTR 50.4 BPM. ATP 5132 PSIG. ATR 46.3 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 9025'. PERFORATED LPR FROM 8757'-58', 8788'-89', 8819'-20', 8860'-61', 8867'-68', 8887'-88', 8948'-50', 8963'-64', 9002'-03' & 9010'-12' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5181 GAL YF116ST+ PAD, 42783 GAL YF116ST+ W/102700# 20/40 SAND @ 1-4 PPG. MTP 6392 PSIG. MTR 50 BPM. ATP 5226 PSIG. ATR 46.8 BPM. ISIP 3150 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 8700'. PERFORATED MPR FROM 8456'-57', 8482'-83', 8495'-96', 8509'-10', 8527'-28', 8545'-46', 8570'-71', 8592'-93', 8604'-05', 8633'-34', 8672'-73' & 8679'-80' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 7265 GAL YF116ST+ PAD, 80599 GAL YF116ST+ W/223100# 20/40 SAND @ 1-5 PPG. MTP 6331 PSIG. MTR 50.1 BPM. ATP 4935 PSIG. ATR 47.9 BPM. ISIP 3120 PSIG. RD SCHLUMBERGER.

RUWL. SET 10K CFP AT 8425'. PERFORATED MPR FROM 8260'-61', 8270'-71', 8284'-85', 8306'-07', 8324'-25', 8332'-33', 8339'-40', 8349'-50', 8358'-59', 8368'-69', 8376'-77' & 8408'-09' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5131 GAL YF116ST+ PAD, 48503 GAL YF116ST+ W/128000# 20/40 SAND @ 1-5 PPG. MTP 6123 PSIG. MTR 50.1 BPM. ATP 4613 PSIG. ATR 45.5 BPM. ISIP 2640 PSIG. RD SCHLUMBERGER. SDFN.

12-19-2007 **Reported By** TORR MCCURDY

DailyCosts: Drilling	$0	**Completion**	$25,592	**Daily Total**	$25,592
Cum Costs: Drilling	$763,558	**Completion**	$234,108	**Well Total**	$997,666

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	14	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 7452'-8408' **PKR Depth :** 0.0

Activity at Report Time: FRAC UPR / MIRUSU

Start	End	Hrs	Activity Description
06:00	18:30	12.5	SICP 1980 PSIG. RUWL SET 10K CFP AT 8240'. PERFORATE MPR FROM 8075'-76', 8089'-90', 8096'-97', 8114'-15', 8121'-22', 8145'-46', 8151'-52', 8165'-66', 8176'-77', 8212'-13', 8220'-21', 8226'-27' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5188 GAL YF116ST+ PAD, 51638 GAL YF116ST+ WITH 127800 # 20/40 SAND @ 1-5 PPG. MTP 6112 PSIG. MTR 50.2 BPM. ATP 4086 PSIG. ATR 46.6 BPM. ISIP 2440 PSIG. RD SCHLUMBERGER. RUWL SET 10K CFP AT 8055'. PERFORATE MPR/UPR FROM 7905'-06', 7934'-35', 7939'-40', 7954'-55', 7968'-69', 7979'-80', 7998'-99', 8001'-02', 8006'-07', 8022'-23', 8032'-33', 8036'-37' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4164 GAL YF116ST+ PAD, 36323 GAL YF116ST+ WITH 90400 # 20/40 SAND @ 1-5 PPG. MTP 6154 PSIG. MTR 50.1 BPM. ATP 4936 PSIG. ATR 46.6 BPM. ISIP 2260 PSIG. RD SCHLUMBERGER. RUWL SET 10K CFP AT 7870'. PERFORATE UPR FROM 7703'-04', 7710'-11', 7725'-26', 7748'-49', 7757'-58', 7770'-71', 7788'-89', 7798'-99', 7806'-07', 7825'-26', 7834'-35', 7844'-45' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5179 GAL YF116ST+ PAD, 51311 GAL YF116ST+ WITH 141600 # 20/40 SAND @ 1-5 PPG. MTP 6228 PSIG. MTR 50.1 BPM. ATP 4575 PSIG. ATR 47.9 BPM. ISIP 2580 PSIG. RD SCHLUMBERGER. RUWL SET 10K CFP AT 7625'. PERFORATE UPR FROM 7452'-53', 7467'-68', 7478'-79', 7499'-500', 7507'-08', 7513'-14', 7537'-38', 7559'-60', 7567'-68', 7582'-83', 7591'-92', 7604'-05' @ 3 SPF @ 120° PHASING. RDWL. RU SCHLUMBERGER, FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4166 GAL YF116ST+ PAD, 33718 GAL YF116ST+ WITH 82700 # 20/40 SAND @ 1-5 PPG. MTP 6662 PSIG. MTR 50.1 BPM. ATP 4701 PSIG. ATR 44.3 BPM. ISIP 1760 PSIG. RD SCHLUMBERGER. SWIFN.

12-20-2007 **Reported By** TORR MCCURDY

DailyCosts: Drilling	$0	**Completion**	$355,268	**Daily Total**	$355,268
Cum Costs: Drilling	$763,558	**Completion**	$589,376	**Well Total**	$1,352,935

MD	9,600	**TVD**	9,600	**Progress**	0	**Days**	15	**MW**	0.0	**Visc**	0.0

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 7264'-8408' **PKR Depth :** 0.0

Activity at Report Time: CLEAN OUT AFTER FRAC

Start	End	Hrs	Activity Description
06:00	17:00	11.0	SICP 1580 PSIG. RUWL SET 10K CFP AT 7426'. PERFORATED UPR FROM 7264'-65', 7274'-75', 7278'-79', 7353'-54', 7358'-59', 7364'-65', 7374'-75', 7379'-80', 7386'-87', 7396'-97', 7403'-04' & 7410'-11' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5215 GAL YF116ST+ PAD, 55685 GAL YF116ST+ W/148400# 20/40 SAND @ 1-5 PPG. MTP 5809 PSIG. MTR 50.1 BPM. ATP 4034 PSIG. ATR 48 BPM. ISIP 2200 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CBP AT 7131'. BLED OFF PRESSURE. RDWL. MIRUSU. ND TREE. NU BOP. SDFN.

12-22-2007 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$66,081	**Daily Total**	$66,081		
Cum Costs: Drilling	$763,558	**Completion**	$655,457	**Well Total**	$1,419,016		
MD 9,600	**TVD** 9,600	**Progress** 0	**Days** 17	**MW** 0.0	**Visc** 0.0		

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 7264'–8408' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	SICP 0 PSIG. CLEANED OUT & DRILLED OUT PLUGS @ 7131', 7426', 7625', 7870', 8055', 8240', 8425', 8700' & 9025'. RIH. CLEANED OUT TO 9471'. LANDED TUBING @ 7871' KB. ND BOP. NU TREE. PUMPED OFF BIT & SUB. RDMOSU.

FLOWED 14 HRS. 16/64" CHOKE. FTP 2000 PSIG. CP 2250 PSIG. 36 BFPH. RECOVERED 578 BLW. 11122 BLWTR.

TUBING DETAIL LENGTH

PUMP OFF BIT SUB	.91'
1 JT 2–3/8" 4.7# N–80 TBG	32.43'
XN NIPPLE	1.30'
225 JTS 2–3/8" 4.7# N–80 TBG	7823.00'
BELOW KB	13.00'
LANDED @	7870.64' KB

12–23–2007 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$4,380	**Daily Total**	$4,380		
Cum Costs: Drilling	$763,558	**Completion**	$659,837	**Well Total**	$1,423,396		
MD 9,600	**TVD** 9,600	**Progress** 0	**Days** 18	**MW** 0.0	**Visc** 0.0		

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 7264'–8408' **PKR Depth :** 0.0

Activity at Report Time: FLOW TEST

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 2150 PSIG. CP 2750 PSIG. 32 BFPH. RECOVERED 860 BLW. 10262 BLWTR.

12–24–2007 **Reported By** HISLOP

DailyCosts: Drilling	$0	**Completion**	$2,475	**Daily Total**	$2,475		
Cum Costs: Drilling	$763,558	**Completion**	$662,312	**Well Total**	$1,425,871		
MD 9,600	**TVD** 9,600	**Progress** 0	**Days** 19	**MW** 0.0	**Visc** 0.0		

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 7264'–8408' **PKR Depth :** 0.0

Activity at Report Time: WO FACILITIES

Start	End	Hrs	Activity Description
06:00	06:00	24.0	FLOWED 24 HRS. 16/64" CHOKE. FTP 2000 PSIG. CP 3100 PSIG. 12 BFPH. RECOVERED 668 BLW. 9594 BLWTR. SI. WO FACILITIES.

FINAL COMPLETION DATE: 12/23/07

12–25–2007 **Reported By** KERN

DailyCosts: Drilling	$0	**Completion**	$2,475	**Daily Total**	$2,475		
Cum Costs: Drilling	$763,558	**Completion**	$664,787	**Well Total**	$1,428,346		
MD 9,600	**TVD** 9,600	**Progress** 0	**Days** 20	**MW** 0.0	**Visc** 0.0		

Formation : MESAVERDE **PBTD :** 9539.0 **Perf :** 8260'-9366' **PKR Depth :** 0.0

Activity at Report Time: FRAC MPR/UPR

Start	End	Hrs	Activity Description
06:00	06:00	24.0	RU CUTTERS WIRELINE. PERFORATED LPR FROM 9064'-65', 9077'-78', 9090'-91', 9111'-12', 9122'-23', 9204'-05', 9213'-14', 9225'-26', 9231'-32', 9278'-79', 9327'-28', 9343'-44', 9360'-61' & 9365'-66' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 4161 GAL YF116ST+ PAD, 39225 GAL YF116ST+ W/93300# 20/40 SAND @ 1-4 PPG. MTP 6230 PSIG. MTR 50.4 BPM. ATP 5132 PSIG. ATR 46.3 BPM. ISIP 2850 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 9025'. PERFORATED LPR FROM 8757'-58', 8788'-89', 8819'-20', 8860'-61', 8867'-68', 8887'-88', 8948'-50', 8963'-64', 9002'-03' & 9010'-12' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5181 GAL YF116ST+ PAD, 42783 GAL YF116ST+ W/102700# 20/40 SAND @ 1-4 PPG. MTP 6392 PSIG. MTR 50 BPM. ATP 5226 PSIG. ATR 46.8 BPM. ISIP 3150 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 8700'. PERFORATED MPR FROM 8456'-57', 8482'-83', 8495'-96', 8509'-10', 8527'-28', 8545'-46', 8570'-71', 8592'-93', 8604'-05', 8633'-34', 8672'-73' & 8679'-80' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 7265 GAL YF116ST+ PAD, 80599 GAL YF116ST+ W/223100# 20/40 SAND @ 1-5 PPG. MTP 6331 PSIG. MTR 50.1 BPM. ATP 4935 PSIG. ATR 47.9 BPM. ISIP 3120 PSIG. RD SCHLUMBERGER. RUWL. SET 10K CFP AT 8425'. PERFORATED MPR FROM 8260'-61', 8270'-71', 8284'-85', 8306'-07', 8324'-25', 8332'-33', 8339'-40', 8349'-50', 8358'-59', 8368'-69', 8376'-77' & 8408'-09' @ 3 SPF & 120° PHASING. RDWL. RU SCHLUMBERGER. FRAC DOWN CASING WITH 165 GAL GYPTRON T-106, 5131 GAL YF116ST+ PAD, 48503 GAL YF116ST+ W/128000# 20/40 SAND @ 1-5 PPG. MTP 6123 PSIG. MTR 50.1 BPM. ATP 4613 PSIG. ATR 45.5 BPM. ISIP 2640 PSIG. RD SCHLUMBERGER. SDFN.

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. UTU0284A

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other _____

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No. CHAPITA WELLS UNI

2. Name of Operator EOG RESOURCES, INC.
Contact: MARY A. MAESTAS
E-Mail: mary_maestas@eogresources.com

8. Lease Name and Well No. CHAPITA WELLS UNIT 1041-22

3. Address 600 17TH STREET SUITE 1000N DENVER, CO 80202
3a. Phone No. (include area code) Ph: 303-824-5526

9. API Well No. 43-047-38085

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface SWNW 1585FNL 240FWL 40.02438 N Lat, 109.43465 W Lon
At top prod interval reported below SWNW 1585FNL 240FWL 40.02438 N Lat, 109.43465 W Lon
At total depth SWNW 1585FNL 240FWL 40.02438 N Lat, 109.43465 W Lon

10. Field and Pool, or Exploratory NATURAL BUTTES/MESAVERDE

11. Sec., T., R., M., or Block and Survey or Area Sec 22 T9S R22E Mer SLB

12. County or Parish UINTAH
13. State UT

14. Date Spudded 10/03/2007
15. Date T.D. Reached 12/01/2007
16. Date Completed ☐ D & A ☒ Ready to Prod. 01/21/2008
17. Elevations (DF, KB, RT, GL)* 4882 GL

18. Total Depth: MD 9600 TVD
19. Plug Back T.D.: MD 9539 TVD
20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
RST/CBL/CCL/VDL/GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
7.875	4.500 P-110	11.6							
12.250	9.625 J-55	36.0	0	2232		950			
7.875	4.500 N-80	11.6	0	9585		2090			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375	7871							

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	MESAVERDE	7264	9366	9064 TO 9366		3	
B)				8757 TO 9012		3	
C)				8456 TO 8680		3	
D)				8260 TO 8409		3	

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
9064 TO 9366	43,551 GALS GELLED WATER & 93,300# 20/40 SAND
8757 TO 9012	48,129 GALS GELLED WATER & 102,700# 20/40 SAND
8456 TO 8680	88,029 GALS GELLED WATER & 223,100# 20/40 SAND
8260 TO 8409	53,799 GALS GELLED WATER & 128,000# 20/40 SAND

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/21/2008	01/28/2008	24	→	42.0	779.0	142.0			FLOWS FROM WELL

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
10/64"	2700	3100.0	→	42	779	142		PGW

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

RECEIVED
FEB 20 2008
DIV. OF OIL, GAS & MINING

(See Instructions and spaces for additional data on reverse side)
ELECTRONIC SUBMISSION #58679 VERIFIED BY THE BLM WELL INFORMATION SYSTEM
**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED**

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
~~WASATCH~~ MVRD	7264	9366		GREEN RIVER	1723
				MAHOGANY	2336
				WASATCH	4746
				CHAPITA WELLS	5332
				BUCK CANYON	6037
				PRICE RIVER	7259
				MIDDLE PRICE RIVER	8112
				LOWER PRICE RIVER	8910

32. Additional remarks (include plugging procedure):
Please see the attached sheet for detailed perforation and additional formation marker information.

The P-110 casing used in item #40 are marker joints.

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #58679 Verified by the BLM Well Information System.
For EOG RESOURCES, INC., sent to the Vernal

Name *(please print)* MARY A. MAESTAS Title REGULATORY ASSISTANT

Signature (Electronic Submission) Date 02/19/2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

**** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ****

Chapita Wells Unit 1041-22 - ADDITIONAL REMARKS (CONTINUED):

26. PERFORATION RECORD

8075-8227	3/spf
7905-8037	3/spf
7703-7845	3/spf
7452-7605	3/spf
7264-7411	3/spf

27. ACID, FRACTURE TREATMENT, CEMENT SQUEEZE, ETC.

8075-8227	56,991 GALS GELLED WATER & 127,800# 20/40 SAND
7905-8037	40,652 GALS GELLED WATER & 90,400# 20/40 SAND
7703-7845	56,655 GALS GELLED WATER & 141,600# 20/40 SAND
7452-7605	38,049 GALS GELLED WATER & 82,700# 20/40 SAND
7264-7411	61,065 GALS GELLED WATER & 148,400# 20/40 SAND

Perforated the Lower Price River from 9064-65', 9077-78', 9090-91', 9111-12', 9122-23', 9204-05', 9213-14', 9225-26', 9231-32', 9278-79', 9327-28', 9343-44', 9360-61' & 9365-66' w/ 3 spf.

Perforated the Lower Price River from 8757-58', 8788-89', 8819-20', 8860-61', 8867-68', 8887-88', 8948-50', 8963-64', 9002-03' & 9010-12' w/ 3 spf.

Perforated the Middle Price River from 8456-57', 8482-83', 8495-96', 8509-10', 8527-28', 8545-46', 8570-71', 8592-93', 8604-05', 8633-34', 8672-73' & 8679-80' w/ 3 spf.

Perforated the Middle Price River from 8260-61', 8270-71', 8284-85', 8306-07', 8324-25', 8332-33', 8339-40', 8349-50', 8358-59', 8368-69', 8376-77' & 8408-09' w/ 3 spf.

Perforated the Middle Price River from 8075-76', 8089-90', 8096-97', 8114-15', 8121-22', 8145-46', 8151-52', 8165-66', 8176-77', 8212-13', 8220-21' & 8226-27' w/ 3 spf.

Perforated the Middle/Upper Price River from 7905-06', 7934-35', 7939-40', 7954-55', 7968-69', 7979-80', 7998-99', 8001-02', 8006-07', 8022-23', 8032-33' & 8036-37' w/ 3 spf.

Perforated the Upper Price River from 7703-04', 7710-11', 7725-26', 7748-49', 7757-58', 7770-71', 7788-89', 7798-99', 7806-07', 7825-26', 7834-35' & 7844-45' w/ 3 spf.

Perforated the Upper Price River from 7452-53', 7467-68', 7478-79', 7499-7500', 7507-08', 7513-14', 7537-38', 7559-60', 7567-68', 7582-83', 7591-92' & 7604-05' w/ 3 spf.

Perforated the Upper Price River from 7264-65', 7274-75', 7278-79', 7353-54', 7358-59', 7364-65', 7374-75', 7379-80', 7386-87', 7396-97', 7403-04' & 7410-11' w/ 3 spf.

52. FORMATION (LOG) MARKERS:

SEGO	9405

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 7

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well name and number: CWU 1041-22

API number: 4304738085

Well Location: QQ SWNW Section 22 Township 9S Range 22E County UINTAH

Well operator: EOG

Address: 1060 E HWY 40

city VERNAL state UT zip 84078 Phone: (435) 781-9111

Drilling contractor: PRO PETRO

Address: PO BOX 827

city VERNAL state UT zip 84078 Phone: (435) 789-4729

Water encountered (attach additional pages as needed):

DEPTH		VOLUME	QUALITY
FROM	TO	(FLOW RATE OR HEAD)	(FRESH OR SALTY)
1,470	1,480	NO FLOW	NOT KNOWN

Formation tops: (Top to Bottom)

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

10 _____ 11 _____ 12 _____

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

NAME (PLEASE PRINT) Mary A. Maestas TITLE Regulatory Assistant

SIGNATURE Mary A. Maestas DATE 2/19/2008

(5/2000)